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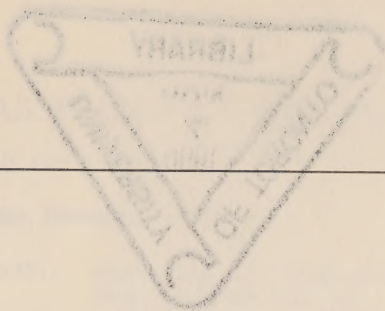




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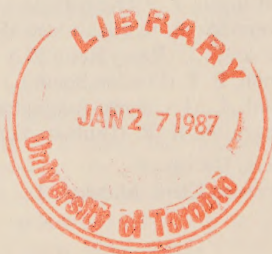
# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

**Standing Committee on Resources Development**  
Estimates, Ministry of Energy

**Second Session, 33rd Parliament**  
Wednesday, December 17, 1986



Speaker: Honourable H. A. Edighoffer  
Clerk of the House: C. L. DesRosiers

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## STANDING COMMITTEE ON RESOURCES DEVELOPMENT

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# LEGISLATIVE ASSEMBLY OF ONTARIO

## STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Wednesday, December 17, 1986

The committee met at 3:46 p.m. in room 151.  
After other business:

16:01

### ESTIMATES, MINISTRY OF ENERGY (continued)

On vote 1701, ministry administration program; item 1, main office:

**The Acting Chairman (Mr. Knight):** This afternoon we have officials of Ontario Hydro with us for the balance of the afternoon and the balance of our estimates, at the committee's pleasure. I invite the representatives from Ontario Hydro to the table and ask the minister whether he will introduce them.

**Hon. Mr. Kerrio:** I should introduce the chairman and he will probably bring forward those he would like with him, Mr. Niitenberg and the president. The chairman is Tom Campbell.

**Mr. Campbell:** The new president, lately of CN Rail, is Bob Franklin. I think you all know Arvo Niitenberg, our executive vice-president, operations group. Ted Burdette and Sam Horton will be joining us in about 10 minutes. They are just finishing shaking hands with a few of our folks. We had a reception this afternoon.

**The Acting Chairman:** Would you like to make an opening statement?

**Mr. Campbell:** I have a few remarks to make if you would like to hear them. I have a few charts that I will ask the staff to circulate if that is acceptable. I am handing out charts that have some information. It is a great pleasure for us to be here and bring you up to date on where we are with Hydro. Some of the material in the charts has been updated and we shared some of it with the members of the select committee on energy last fall. I think the members found that helpful. We thought we would take a minute to upgrade you on some of that material.

To start, the data in front of you show that Ontario Hydro's financial position continues to be healthy relative to its past and to other public utilities. Ontario Hydro does not borrow to run its operations. That is one of the misconceptions we try to make sure everyone understands. There is a feeling in some parts that Ontario Hydro is somehow running a deficit, which it is not, or that it is draining off money that the government

might otherwise use for hospitals, schools and so forth. Again, that is not true.

Unlike governments, Ontario Hydro does not run a deficit situation. We borrow only to acquire assets that in turn generate revenues. The value of the assets we have grew by \$2 billion in 1986. Ontario Hydro's debt accounts for a little more than \$2,300 for every person in Ontario. That is sometimes cited as a high figure—this is on chart 1—but you will notice that this debt is more than covered by Hydro's assets, which stand at a book value of about \$3,000 per Ontario resident. Those assets are undervalued in that they are carried at book value and that is not really the value of those assets. It is the same as if you have a mortgage on your house that you bought 20 years ago. You do not look at the price you paid for the house 20 years ago; you look at the current value of the house if you are assessing what kind of investment you have made.

If we take replacement value or the current value, then the assets on the chart are worth about \$5,370 for every person in Ontario, so they have been quite a good investment. The current value of assets of Ontario Hydro is somewhere in the order of \$50 billion and that is still on fairly conservative accounting principles.

**Mr. Taylor:** When you put a value on the Lennox generating station and on Wesleyville, what kind of value do you put on that and how do you equate the market value you want to realize on your asset?

**Mr. Campbell:** We can go into that later but Lennox is—

**The Acting Chairman:** We can have them now if you wish, Mr. Campbell, or we can wait until you have finished the opening statement before we have questions.

**Mr. Taylor:** I wonder whether we can do it as we go along while the material is fresh in our minds by questioning the statements that are being made. It is okay to talk about market value, book value and replacement value, but I question whether a lot of these assets would be of any value at all if you had to peddle them on the market. I gave two examples because you presumably have multibillion-dollar assets there. If you have that kind of asset, I would like to know what value you put on it and whether you



have a market for it. It is no good. It is like houses up in the Arctic or in the Bancroft area when the mine closes down. If there is no market, there is no value.

**Mr. Campbell:** Perhaps I can answer the question. Wesleyville has been written off. Lennox is being carried and it is a peaking station. That station will be brought back into production as a peaking station. It is still carried as an asset on our books because it is an asset. To give you an example, the book value of our assets at Niagara is in the order of \$250 million. It is hard to place a value on them but those stations would have a value in the billions and you could sell those stations very readily. We would have lots of buyers for them. Therefore, the total value is still quite a conservative estimate.

**Mr. Andrewes:** Did you say Lennox will be brought back on?

**Mr. Campbell:** Yes. There is no question but that it will be brought back with the growth we are experiencing now. We considered bringing it back on for this winter because we are importing power this winter. We are a net importer of power.

We evaluated the options and decided we could make a deal with Quebec this winter. We paid them some \$9.5 million to have about 1,200 megawatts of power available on a standby basis. We will have to pay them in addition for the actual energy we use. We are using that power from Quebec right now, but if we had not done that, we would have considered bringing Lennox back on. One of the reasons we did not bring it back on is that it is not needed consistently for the next few years. We have to consider the human factor as well. We are talking about staff who would have to move there and get settled and then we would be uprooting them again and so forth.

We will wait until we see a more consistent use for the Lennox station. However, there is no question in our minds that it will be brought back on in the next few years. How soon it will be brought back on will be related to the continued growth of the economy, the price of oil and the availability of other options such as power from Quebec. There is no question in our minds that it will be used.

**Mr. Charlton:** I assume that what you are saying is tied to the presentations that were made to the select committee last spring and last fall. Essentially, by 2000 you are going to need everything on the system.

**Mr. Campbell:** Even the old coal-fired stations will be brought back, but we will be looking at scrubbers on our coal stations.

Perhaps I can continue. If we look at chart 2 and compare our debt per capita with other provinces, we can see that Ontario is the third lowest in debt, behind Nova Scotia and Saskatchewan. The reason is that Saskatchewan and Nova Scotia have coal-fired plants and those are the cheapest plants to build, but the fuelling costs are very high. Therefore, their rates are higher than ours even though their per capita debt is lower. This chart shows that all Canadian utilities rely heavily on debt financing for generating stations and all but two rely more heavily than Ontario Hydro. During the past two decades, Hydro debt has represented about 40 per cent of the total indebtedness of Ontario.

#### 16:10

In chart 3, if you compare Hydro's debt as a percentage of the provincial debt, you can see it has actually been decreasing from the 1950s. In the 1980s, it is actually back to about the ratio it was when Sir Adam Beck started the great days of expansion of Ontario Hydro in the 1920s. The highest debt we had in relation to the provincial debt was in the 1950s and 1960s when Ontario underwent a great post-war economic boom.

Chart 4 shows the relationship between debt and primary revenue. This chart relates our ability to pay off debt to the actual revenues. You can see that the ratio of debt to revenue has been decreasing since 1960. For those people who like public utilities to have low debt, the best years were in the late 1940s. If you like low debt, you should like those years because that is when we had our best performance. The reason was that during the Second World War we did not build new plants. We did not make the investments and our debt was low, but we also had rotating power blackouts in 1948 and 1949. Some people are old enough to remember that. That puts things into perspective.

To sum up, Ontario Hydro is financially healthy and will be reducing the level of debt in borrowings by the late 1980s. That is shown on the final chart.

I would like to take a few more minutes to share some information on the priorities we see for the next few years. First, our mandate remains clear: to provide electricity to the people of Ontario as reliably and economically as possible. At the same time, the public has become increasingly concerned about environmental protection and social responsibility.

Last year at our estimates presentation, I talked about Hydro's demand-supply options study and said that Hydro was seeking contributions from individuals, communities and organi-



zations. We have done a lot of work since then that is giving us valuable feedback. We had 58 special-interest groups and provincial organizations participate in meetings to discuss the issues, and 36 submitted briefs. We had another 13 meetings to get a cross-section of the views of residents from all areas of Ontario. Those meetings were held around Ontario. We sent people questionnaires to get their comments.

We got input from municipal utilities and their customers as well. More than 300 utility commissioners and managers from 116 organizations attended 10 special sessions in February and June. Finally, we commissioned a major survey of 1,200 residential, 200 commercial and 200 industrial customers to get their views on the system.

The views and responses we received varied. We will share them with the public at some point. What emerged as overwhelming concerns were, first, reliability; second, reasonable rates, and third, preservation of the environment.

One example that was particularly instructive came from K. Ansari, the vice-president of Honda, which opened a plant in Alliston a few weeks ago. That is a relatively small plant; it is an assembly plant. Because these plants are becoming so automated, reliability is increasingly important to them. He told us that if they lost power for half a minute, they would have to scrap about 30 car bodies on their assembly line. They do not try to fix them; they just scrap them. The reason is that robots are welding the bodies and if the power goes off, the robots go crazy and weld in the wrong spots. They have to scrap those cars. Then, of course, the plant is down while they take all that stuff out, and then they have to reset all these machines again. They lose a lot of time as well.

Increasingly our customers are saying, "We like the low rates, but reliability is even more important to us." One of the reasons the auto industry is thriving here is that we can offer rates for reliable power at half the cost in Detroit, a third of the cost in New York City and a fifth of the cost in Japan. In a lot of areas we have tough competition—we have a cold climate; we have a small population, which is dispersed, and transportation costs are high—so we have to take advantage of the few areas where we do excel, and one of those is low-cost, reliable power. That is one of the reasons we are doing pretty well right now.

There has been a decline in the growth rates of electricity from the six per cent and seven per cent we had in the whole history of the company

since it was founded 80 years ago. No one here expects those growth rates will return. However, during the past three years, the growth rates have gone back up to 5.2 per cent in 1983, 5.6 per cent in 1984 and 3.6 per cent in 1985. So far in 1986 we are running well over 3.5 per cent—it is not all in yet. Those rates are away above our projections.

We do not expect the degree of growth to be sustained, however, and we are projecting a more moderate range of 2.4 per cent or 2.5 per cent for the rest of the century. That will mean an additional 400 megawatts average energy growth. Peak growth will be higher than that. We are forecasting that, through additional production and additional energy savings, we will need about 500 to 600 megawatts of reliable peak power a year through the year 2000. For example, that is the size of one of the reactor units at Pickering. That is the growth we are expecting for the rest of the century. We therefore must consider ways of meeting needs 10 to 20 years from now and do that economically and cleanly. That is the message we are getting from the public.

We have some mothballed fossil fuel-plants, which were mentioned earlier, that we can bring back on stream if need be. They also have disadvantages with regard to cost and environmental problems. They are a kind of insurance; we have them there if we need them. The challenge in the future will be not only to meet reliably the need for power but also to do it in an environmentally acceptable way and to do it at the lowest cost so that we can keep our competitive industrial position for this province.

Strategies on how we go about doing this are being formulated. Clearly, we will have to develop some programs for trying to limit the growth in demand. That is a change in the thinking of Hydro during recent years. In the new year we are planning to undertake a number of demand management and conservation projects in the residential, commercial and industrial sectors. The information we will gain through these projects, such as energy audits in the commercial sector, the implementation of high-efficiency motors in the industrial sector and the insulation of thermal-energy storage furnaces in the residential sector, will be interesting. We have not done much of that in Canada, but in European countries that is quite a common practice. We believe this will help us develop programs acceptable to our customers.

We will also eventually need new sources of supply that we can achieve through conservation.

The challenge will be to limit electricity growth by cutting waste and improving efficiency without jeopardizing growth in the Ontario economy, which has come to depend more and more on electric power.

Comments from our customers, surveys and public consultation are very explicit about this. The Ontario Federation of Labour told us in our consultations, "If we are to grow as a modern industrial nation, create employment for a growing labour force, increase productivity and provide a rising standard of living for our people, we must have readily available sources of energy at reasonable prices."

We are very conscious of our responsibility there. A similar thought from an entirely different point of view, from our competition, is echoed by John Anderson, president of a Washington-based lobby group representing major United States industrial companies. He said recently that we Canadians were luring US industry and jobs north of the border because our electricity rates were half what they were in the US. He complains that Canada is using a major economic advantage to build an industrial base.

I do not apologize for that. I believe that is why Ontario Hydro was created by this Legislature 80 years ago this year. That is one of the reasons we are the industrial centre of Canada. In Ontario's case we have already built that base. Our challenge is to see that the electricity service remains a relative advantage for Ontario industry to expand on.

16:20

Our demand-supply options study will examine various ways of meeting future needs and will look at electricity use, efficiency and conservation as well as supply options. Plans will eventually evolve and they will have to reflect public priorities and expectations.

Right now the evidence is that Hydro and the municipal utilities are meeting customer expectations. One of the surveys told us we had a 96 per cent satisfaction rate with our customers. I have the approval ratings of other groups, such as governments and so forth, but we will not go into that today. We are rated at the top, ahead of Bell Canada and the oil and gas companies.

**Mr. Charlton:** The four per cent are all here today.

**Mr. Campbell:** Our major responsibility in the years ahead is to make sure we keep it that way.

**The Acting Chairman:** We have a speakers' list. Mr. Sterling is first. Just before you proceed,

I notice you have a map. It is properly positioned now, but I must caution you not to cover the microphone or Hansard will not be able to pick up your remarks, and you and others in the future will not be able to read them.

**Mr. Sterling:** I appreciate this opportunity to come in front of this committee, especially when I have the Minister of Energy (Mr. Kerrio) and the chairman of Ontario Hydro to deal specifically with a problem that relates to the new riding of Carleton. I am talking about the problem in the community of Bridlewood in the city of Kanata as it relates to the 500-kilovolt line that is going from the Lennox station near Kingston up to Ottawa and then will go back down to Cornwall to loop in a grid. The people in that community feel they have not had due process in dealing with the issue, and I would like to explain to the minister and to the chairman of Hydro why that is the case.

In the fall of 1983, Hydro started the process of establishing this major 500-kilovolt line through eastern Ontario. At that time it indicated there were seven possible routes from Lennox to Ottawa, and there is a coloured map that indicates those various routes. It is a small-scale map, so it is difficult to determine exactly where those routes are at that initial stage. That is understandable because they had not done all of the preliminary work on it.

My specific concern relates to the area, when we get close to the city of Ottawa, in the city of Kanata, which is located west of the city of Nepean, which is next to the city of Ottawa. You have Ottawa; go west to Nepean; go farther west and you have the city of Kanata.

During this whole period, the most northerly route being considered was to go through an existing corridor through the city of Kanata. I will take out a large-scale map of the area that I have prepared for the minister to see and I will show the other people in a moment. The blue route, which was the farthest northerly route, came along an existing 230-kilovolt corridor and cut through the community of Bridlewood and then on into Nepean and Ottawa. This was National Capital Commission land and it is not inhabited. This is farm land in this area, and the most southerly tip of the city of Kanata is located at this particular area.

Perhaps you can show that to these people as well. I was talking about this particular route as the most northerly route.

When Hydro was considering that route, it was concerned that it could not put a 500-kilovolt line through on the existing 230-kilovolt route,



because the width of the corridor was 270 feet. I draw evidence to that particular position from the reasons for the decision of the joint board when it made its decision on September 30, 1985. I refer to pages 40 and 42 to make certain that the minister and the chairman of Ontario Hydro understand why the people in the Bridlewood area were lulled, in my view, into a state of complacency about the possibility of the 500-kilovolt line going through their community.

Originally, Hydro ruled out the possibility of redeveloping the existing 230-kilovolt corridor to include the new 500-kilovolt transmission line as being technically unfeasible because of the narrow right-of-way width. Later, however, Hydro changed its assessment and concluded that by using higher poles—185 feet, about 16 storeys—this redevelopment option was technically satisfactory to meet its reliability criteria.

Hydro's change in technical position did not alter the position of either the task force or the consultants' study that the higher towers would present a severe visual impact on the community. Hydro also considered that the hydro towers would be out of character with the residential community.

Thus, at that time the Hydro public relations people were going into the community and saying, "There are seven routes, but this very northerly route is very unlikely because of the limitations that are there."

I draw further evidence on page 42.

**Hon. Mr. Kerrio:** Did you say that Hydro did go in?

**Mr. Sterling:** It went into the community.

**Hon. Mr. Kerrio:** I am very disappointed, Mr. Campbell. You did not come into my place when you put the towers up in my backyard.

**Mr. Campbell:** Next time we do, I will come.

**Hon. Mr. Kerrio:** I am going to have to examine that. It is upsetting.

**Mr. Sterling:** I understand why you are upset, because the people of Bridlewood are very upset about that.

It may be somewhat unfortunate that utilization of the existing 230-kilovolt right of way was initially rejected by Ontario as being technically unacceptable. Therefore, that option was put aside without serious consideration. When the evidence on reconstructing the existing 230-kilovolt line was presented to the board, none of the witnesses gave sufficient attention to the mitigation measures. Then they go on to say that they ordered a further rehearing to deal with mitigating matters dealing with the route that was

eventually decided on by the board through the centre of the community.

I have also shown on this diagram where the existing housing is at this stage of the game. The existing housing in the Bridlewood community is on both sides of the existing 230-kilovolt line. This area is undeveloped at this stage of the game. These developers made representations to the joint board because they were against the yellow route, which was the preferred route of Hydro. This is where people were, I feel, in some way misled. They had always thought: "They have it decided. These things have to go through the loops. There is a problem here in the width of the corridor. Hydro is not pressing this issue. It is very unlikely the 500 kilovolts will go through our community."

When we got to the specific hearings, it is interesting to note that the joint board hearings started basically with the community representatives making their case known in January 1985. They did not put their objection forward in the strongest terms, because they were not really very concerned; they did not think it was going to come down the existing 230-kilovolt easement that was there.

#### 16:30

Then something happened that the people did not anticipate. I might add as well that both Kanata and the township of Goulbourn, which is up in this area—this being the city of Nepean down here—made objections. Kanata wanted the route to go down to here, loop around the community of Bridlewood, go on to National Capital Commission land over here and then hook up down into Ottawa. They originally had proposed that it come down here and around here.

The township of Goulbourn came in and suggested this portion be cut out of the primary route, and the developers in the area who had not developed their land suggested this piece come out of the primary route and that it take a new route that had never been proposed by Ontario Hydro or anybody else, and that is to go up to an existing railway, which is over here, and down here. The land is not as good here for agricultural purposes. They suggested a route that had never been considered before—until February, about a month after the Bridlewood community had made its pitch to the joint board.

Once the route up here was taken, the joint board decided to carry on straight through the existing easement, and so the Bridlewood community basically not only was left with the 230-kilovolt line, which comes down here, but is



also picking up an additional 500-kilovolt one that jogs up and around and down through the community.

The view of the people in the area is that they were basically euchred out of their position at that time. One of the relevant factors that is important here is that the green line I have drawn around here represents Terry Fox Drive. Kanata has only recently decided where that transportation corridor is going to be, and therefore it was not considered at the time of the hearings as an alternative route in dealing with the community of Bridlewood.

On September 30, 1985, the joint board came out with its decision that it would go around the agricultural land up to the rail line and down through the community of Bridlewood.

To that community, this meant it was going to be exposed to a much higher-voltage line. Hydro could get over the limitations of the narrow corridor by jacking the power line higher. What this means to the community in terms of the existing tower is illustrated on this schematic.

These are the existing towers, which are the structures we see all across Ontario, and they will be replaced by two larger towers with the 500-kilovolt lines on the inside and the 230-kilovolt lines on the outside. If anybody says this is not going to have a significant impact on the visual state of the community, I would argue that such arguments are not valid.

I am not certain of this, and perhaps the chairman of Ontario Hydro can clarify it, but there are various statements about the minimum width on which Hydro will build a 500-kilovolt line. I do not think there is anything in regulation that limits them as to whether they need 50 feet, 320 feet or whatever. I have heard various statements of what is the norm. I believe the norm is 325 feet and perhaps the chairman can confirm that. In New York state, to construct a similar hydro-tower line, they would need a width of somewhere between 350 feet and 1,200 feet, I am informed.

When the joint board came down with its decision, it said Ontario Hydro and the city of Kanata would have to get together to deal with issues that would mitigate the visual impact of putting a 16-storey tower in place of the eight-storey tower that is there at this time. They were to convene another hearing on the matter.

That hearing took place earlier this week and the citizens' group in the area—led by Lynn Barrett and Judy Hunter—the mayor of Kanata and several other people asked to be heard. The thing that disturbs me most in this matter is the

fact that Hydro objected to anyone other than representatives of the city of Kanata being heard at that hearing. Fortunately, the joint board saw fit to hear the residents of the area and let them put forward their case. They were not allowed to present the argument to reconvene the hearing to consider an alternative route along Terry Fox Drive, which was not an alternative route that was there before.

I ask the minister and the chairman of Hydro to reconvene the hearing to consider that as an alternative. If at that time the joint board, after what I consider due process where the people of the community have not felt they have been misled in the process—which they feel at this time because of what has happened in terms of the historical context of Hydro taking the position, originally and as the process went along, that the route would never go through the middle of the community of Bridlewood—if the joint board did meet and said it would give them the chance to be heard when it thinks, or when it knows, there is a good chance that the 500-kilovolt lines would go through their community, I think they would be satisfied.

The only mitigating kind of circumstance Kanata and the community of Bridlewood would agree to would be to put the line underground. That creates a significant problem in this area, because you are on a piece of granite and the cost will be exorbitant in terms of putting the line through in that manner, but that is their position. The board is going to make a decision in January 1987 on whether Hydro will have to bury that line.

Not as a matter of threat but as a matter of concern to the Ottawa area as a whole that it gets power within a reasonable time, I ask that Hydro reconsider its position and I ask the minister, as a minister in the cabinet of Ontario, to reconvene the hearing because this community has written 3,000 letters to the Premier (Mr. Peterson) asking him for this joint hearing. These are two feisty ladies and this is a feisty community. They think they have not been treated fairly. In order to avoid legal proceedings, which I am assured will happen regardless of whatever decisions may be taking place, probably the most prudent route to take at this time is to take a decision to reconvene the hearing and get it over with as soon as possible.

I want to put all the facts before you from the point of view of what that community feels has happened to it. The route was always there but it was not considered seriously until this alternative proposal came in at the ninth hour.

16:40

The community could have responded and there was a chance for reply in the joint process in July 1985. The original hearings went on in January and February 1985, but they could have replied in July 1985 to the other submissions. At that time, however, the decision had not been taken to go through the community of Bridlewood. At that time, the community residents still felt that was not a serious threat and that was not going to happen.

All the other routes go to the south part of the community. I know it is a problem that Hydro has in dealing with any route selection. That happened with the major route coming down from the Bruce when I was a member of cabinet and the joint board did not take the primary route that Hydro originally submitted. The problem here is not exactly the same as that. The people in this area were under the impression that it was not a serious consideration of Hydro and that it was not a serious possibility that the route would be going through their community.

**Hon. Mr. Kerrio:** I should respond first and not deal with any of the technical aspects. Ontario Hydro will do that.

You are asking that I re-examine a process that I inherited. The process unfolded as it is structured and the opportunities were given. Hydro's people who are sitting here would be very pleased that the people in the area took for granted that Ontario Hydro's proposed route was going to be chosen because it was the preferred route, but it is not their determination to make; neither is it mine. The determination is to be made by a body that sits there to do these very things.

In a sense, what you are asking is that after you have had your day in court, you be given the opportunity to appeal to the cabinet. That was done. The cabinet is generally prone to uphold, unless there is very good reason not to or unless other circumstances develop.

You are saying that if you go to the courts and the decision comes down against you and you go through the appeal process and the decision is upheld, then we should go back again and have another means, a third way, of going at the process.

I am not suggesting you are wrong; you may be right, but I have accepted that the hearing process is a good one. We went through the exercise and there is not another alternative unless we change the system.

I do not think it is quite the same as the Bruce corridor situation where there was evidence that

there was not proper opportunity for input. As a result, hearings were opened again. Unless I am wrong, that is how that took place. It was definitely not the same thing.

You are telling me that because Hydro had a preferred route, the people thought that was the way it would go so they did not make a good case. That is something I have difficulty dealing with. You bring in the comparison with the Bruce corridor, but it is not the same case.

I described to you that I have property that abuts Hydro land and was quite surprised that I was never contacted. I said that a little facetiously to the chairman, but the fact of the matter is that they put in a new single-tower line on that right of way that already has the hang line towers, and it was accepted that if you want a good system and a good grid throughout the province, you are going to have to have the power lines and you are going to go through this kind of process.

I do not know how to respond to you when you ask me to change the system. I do not think it is in my power to do that. It went to the whole cabinet to uphold or deny that appeal. That is about where it is as far as I am concerned. If there is another aspect that relates to the technical building of the line, going higher or whatever, and if arrangements have to be made with the town because of the aesthetics, I do not have a good feeling about that. I would have to leave it to our Hydro people to give some account of that part of the process.

**Mr. Sterling:** I will deal first with the matters the minister has raised. I know, as a former minister, that in terms of dealing with the Bruce situation and our cabinet having made the decision to allow another hearing for basically the whole route, or a major part of the route, it does not matter what process you make. I do not think the wisest man in the world can ever create the perfect process to make certain that justice is done in every case; you just try to do the best you can.

In some cases where you feel there has been a problem with the system in that it broke down for some particular reason in a very isolated part of the corridor—I am talking about two miles in a line that is going to run about 300 miles—I guess if everything could be written into law and if the process were fair in every case, we would not need politicians because we could make the fairest kind of words, we could have them interpreted and it could all be netted out evenly and—

**Hon. Mr. Kerrio:** I do not want to interrupt you, but what do you mean? How would we deal



with the process? We had the hearings. There was an appeal to the cabinet. The cabinet upheld that determination. What would you do now?

**Mr. Sterling:** It is up to Ontario Hydro.

**Hon. Mr. Kerrio:** I do not think it is as involved, really, as you might think it is, because—

**Mr. Sterling:** Just a minute. Ontario Hydro has every right to say it is not going to go that particular route.

**Hon. Mr. Kerrio:** Then that is Hydro's decision, not mine.

**Mr. Sterling:** That is right. It has every right to do that. You have other cabinet colleagues who co-sign notes for this particular agency for—

**Hon. Mr. Kerrio:** But you have to say the rest: If it decides in another month, there has to be another hearing.

**Mr. Sterling:** I understand that there has to be another hearing for the particular part of the route it is dealing with.

**Hon. Mr. Kerrio:** I am not sure what would prompt them to do that, but they might tell me.

**Mr. Sterling:** I am suggesting that in terms of equity, in that the process has not even been all the way through—in fact, there was a bit of a surprise at the end of the process in the submission by the township of Goulbourn and bringing the route up through an area that was not even on any map. This led them to come through the community, which made it a real possibility that Ontario Hydro, whose officials talked some three weeks ago in the mayor's office with the Bridlewood community, will say, "We want a new hearing to deal with this particular area." It has every right to do that.

**Hon. Mr. Kerrio:** Everybody who loses a case in court would like another hearing; there is no question about that. I would do the same. Is that the way you are asking us to go?

**Mr. Sterling:** I am asking you, on behalf of Bridlewood community, to put some pressure on Hydro, as you have the ability to do in this process, and ask it to reconvene a hearing so that these people will feel they have been dealt with fairly. They do not feel they have been dealt with fairly.

**Hon. Mr. Kerrio:** Because they presumed that since Hydro had a preferred route, that was the way it was going to be.

**Mr. Sterling:** Not because it had a preferred route. It is because of what happened at the meetings and because of the fact that this corridor is only 270 feet in width, that it is narrower than

other corridors that put up 500-kilovolt lines. They are saying, "We have been misled."

**Hon. Mr. Kerrio:** That evidence was not put forward.

**Mr. Sterling:** I am telling you what the community is saying and what it is feeling. The fact is that Ontario Hydro is going to find itself in Divisional Court over this matter. I do not know how long that will take. They are collecting money today to launch a lawsuit.

I am saying that to avoid this, the logical thing would be for Hydro to do that. The Ontario cabinet has a very large say in what Ontario Hydro does. You know that. You back them for \$2 billion a year. You co-sign a note; that is how it gets its money. That is what I want done; that is what I think is fair for the community of Bridlewood.

**16:50**

**Hon. Mr. Kerrio:** Was evidence put forward after the hearings that the tower design would be changed or some such thing? Is that what you are saying?

**Mr. Sterling:** I am sorry. I do not follow you.

**Hon. Mr. Kerrio:** You are telling me the hearings were not fair; something happened after the hearings—the tower designs were changed or some such thing—that would have us go back over the hearings. What transpired after the hearings were finished and a decision was rendered that was not put forward at the hearings?

**Mr. Sterling:** What was not put forward at the hearing or was never revealed by Hydro to the community of Bridlewood was that there was a real possibility this thing was going to take place.

**Hon. Mr. Kerrio:** If any route is described, there is a possibility it is going to be used, is there not?

**Mr. Sterling:** The route the joint board officially decided on was not on any of its maps at all. It was not down here, here or here where the other routes went. It was over here. All of a sudden, the joint board decided you are going to cut across some other land down a railway line and through that community, a corridor which, according to Hydro, was not wide enough. What would the people think? They thought, "The township of Goulbourn has come up with a proposal that will not be backed." Nobody warned them that this was under serious consideration.

I am saying they need a proper hearing to defend themselves in terms of saying to the board there is another alternative route that is brand



new and was not in front of the board at that time. Terry Fox Drive was not there when the joint hearing decision was prepared.

**Hon. Mr. Kerrio:** You could say after many hearings that there was another way they could have gone but it was not considered. I do not follow your argument. All I am asking, and it is quite a simple question, is whether the hearings took into account everything that could have been built after the decision of the board.

**Mr. Sterling:** No. They did not take into account Terry Fox Drive.

**Hon. Mr. Kerrio:** Do you have any comments, Mr. Campbell?

**Mr. Campbell:** First of all, I feel sympathy for the people in the community of Bridlewood. They have been calling me and writing me. I am sure they have called other people as well. I think Mr. Sterling does a good job in presenting a case on behalf of those people.

From our point of view, our basic problem is that we have to get power to Ottawa. That is a need we identified in the early 1970s. Our present planning for this started about 1975. We have had some recent outages in the Ottawa area which I think are an indication that our system there is strained and that we have to get a line to the Ottawa community. That is our main concern.

As Mr. Sterling pointed out, Ontario Hydro had other routes it preferred. We would have been happy if the board had chosen our preferred route; it would have been more direct and cheaper for us, for one thing.

I have mixed feelings about defending the joint board.

**Hon. Mr. Kerrio:** I guess. You can either win or lose.

**Mr. Campbell:** We have been held up for 14 years on another line with this kind of thing.

In fairness to the joint board, in this case it did say, "We do not want to have the problem we had on the Bruce line where some people felt they were not properly informed and we had to defend it after due process." They actually took the step of going to court and asking the court to review their procedures so they would be following the right procedures. They did that in this case.

I agree that the final result of the joint board's deliberations was a change from the original preferred route, but the information I have is that Kanata was informed; it hired a consultant who was pretty knowledgeable about this and I understand spent some time testifying on the various routes. Our problem is that the preferred

route Kanata now is putting forward, on the Terry Fox Drive, was considered by the joint board but it chose this other route. We are not in a position to second-guess the joint board or why it did that. Clearly, they did it because they wanted to use an existing right of way. The line they are using jogs around and is more expensive for us, but they use an existing right of way.

Our problem is that it has gone through the courts and the appeals. There has been due process in our view, even though we may not like the result. Our concern is that if we reopen cases such as this, which have gone through all the procedures, then everybody else along the line who does not like it could have exactly the same kind of recourse and the system would be undermined. The system of hearings would not have any credibility if you did that. There are people who argued against the route Kanata now wants. They feel they have won. If you reopen it, they could argue in court: "We went through the due process. We won and now, because somebody does not like it, you are reopening it and subjecting us to all the costs of new hearings."

While we realize that a lot of people are unhappy, and we are not delighted with the decision, we think due process has been followed and we do not think it is in our jurisdiction to reopen that process. I appreciate Mr. Sterling's concerns and I sympathize with them. If the Legislature can design a better system for us, we will support that, but with the system we have, we cannot start second-guessing once it has gone through all the hoops, as sympathetic as we might be to any of the individuals.

**The Acting Chairman:** Mr. Campbell, we are always striving to have better systems and legislation.

**Mr. Campbell:** Yes. In the Bruce situation, we think the system could be improved. That is an understatement.

**Mr. Charlton:** I thought that was a good one.

**Mr. Campbell:** That hearing has taken 14 years and is going to cost—

**Mr. Charlton:** Four years. That you guys did not have your act together prior to 1982 is your problem.

**Mr. Campbell:** No, it was not us.

**Mr. Charlton:** The joint board has had the matter before it only since 1982. The joint board was created in 1981 when we passed the legislation.

**The Acting Chairman:** Mr. Charlton, I am not sure whether that was a supplementary.

**Mr. Campbell:** Anyway, I am defending the joint board this time.

**Mr. Sterling:** You have not talked to me about the width of the road. What is your normal width of road for a 1,200-kilovolt line?

**Mr. Campbell:** It would be wider than this.

**Mr. Sterling:** How much wider?

**Mr. Campbell:** I do not know. I can get that information for you.

**Mr. Sterling:** This is not normal.

**Mr. Campbell:** When we are going through sensitive areas, we often make adjustments. It is hard to make everyone happy, but these new poles were considered by many people at one time to be much more acceptable because there is just one pole. I grant that they are higher. They are also much more expensive poles for us.

**Mr. Sterling:** You are putting it on a narrower corridor.

**Mr. Campbell:** Yes. Technically, we can do it at a greater cost to us. We said that at the hearing. That was all put on the record at the hearing. The joint board could not have made its recommendation if we had said we could not do it. We were trying to be accommodating to the joint board.

17:00

**Mr. Sterling:** Mr. Campbell, you said it is not within your jurisdiction to reconvene the hearings. Can you not ask for another hearing?

**Mr. Campbell:** We can ask for another hearing if we believe, for example, that this route was technically not possible or something such as that. We do not think it is our role to be another court of appeal, in effect. If we were to do that because some people do not like it and do not want it in their backyards, we think that would be subverting the process. There are appeals now. When those are exhausted, people could say that if you go that route and they do not like it, they are going to appeal to Hydro, which can just start the whole thing again. We do not think that is our role.

We would reopen it only for some technical reason that came up that meant that somehow this could not be built or done. Soil conditions might be wrong or there might be some material problem. We do not think that the fact people do not want it in their backyards is our jurisdiction. That is what the hearing process is for. We would be usurping the role of the joint hearing board if we started to say, "Some people do not like it, so let us start the whole process again."

**Mr. Sterling:** There is no legal impediment to keep you from doing it.

**Mr. Campbell:** In our view, that is not our role; it is the joint board's role.

**Mr. Sterling:** That is a policy decision, but you can do it if you choose.

**Mr. Campbell:** We can do it for other purposes, not to allow another form of appeal. We could do it if, for technical reasons, we could not build the line there.

**Mr. Sterling:** Do you mean to say that if you thought in your own mind that people had not received a fair hearing you would not ask for another hearing, notwithstanding what the board decided?

**Mr. Campbell:** I did not say we believed people did not have a fair hearing. I said that Kanata had a consultant who was a professional and who testified for a whole day.

**Mr. Sterling:** Kanata did, but the community of Bridlewood surely did not. You stated that if you were to ask for another hearing in this case, you would open a Pandora's box in terms of dealing with all the other parts of this hearing.

**Mr. Campbell:** I do not think we could say no to any other group on this line or any other line that did not like the results. You would not have a process.

**Mr. Sterling:** In how many other instances in this selection process over the 250 miles did the joint board go off either your preferred route or any alternative route?

**Mr. Campbell:** I do not have that information for you.

**Mr. Charlton:** It happened all the way along the southwestern route.

**Mr. Sterling:** That was one of your alternative routes, was it not?

**Mr. Campbell:** No. Members of the joint board see trying to find routes that are acceptable to everybody as a normal part of their work. We provide a range of options, but they do a lot of fine-tuning as they go along.

**Mr. Sterling:** You cannot answer how many—

**Mr. Campbell:** I cannot answer that. There would be a lot of information which we can perhaps get for you.

**Mr. Sterling:** Perhaps one of your officials can get it.

**Mr. Campbell:** I am sorry. I realize you feel strongly about this and some of the people in the community feel strongly about it, but we have to say that nobody wants these things in his



backyard. There is a process and the due process has been followed. That is the dilemma we have.

**Mr. Sterling:** I would like to thank the committee members for their indulgence in letting me take as much time as I did. I can only say that the last statement by the chairman would be very hotly disputed by each and every resident of the Bridlewood community in terms of how they feel the process has gone for them. They feel cheated. If there are power blackouts in the next little while because this part of the power line has not been completed, it will probably be because, in my view, there was no decision at this time to give a fair hearing to the people of Bridlewood. They are not going to give up. They have not given up and they are going to fight you tooth and nail.

**Mr. Campbell:** If they feel, as you are saying, that they did not get due process, they can appeal to the courts on that. That is what the Central Ontario Coalition Concerning Hydro Transmission Systems did in the southwestern hearings. That is open to them. I do not think we can be a third court of appeal on this. They have the joint board and they have cabinet. We would be second-guessing everybody if we did that.

**Mr. Sterling:** I am trying to be practical in terms of getting power to eastern Ontario.

**Mr. Campbell:** I appreciate that and I appreciate your support in it. It is a community problem. They need the power there and we have a problem in getting it there.

**Mr. Sterling:** Thank you very much.

**Hon. Mr. Kerrio:** The only thing I cannot accept is that you are throwing this back at the people who are trying to put in the line if there are blackouts. Anybody who interrupts the process of getting the line in is going to have to accept part of the responsibility for that kind of situation if it develops. You cannot just throw this in the other guy's court.

**Mr. Charlton:** To be fair, minister—

**Hon. Mr. Kerrio:** There is an option. You can still go the courts to appeal.

**Mr. Charlton:** That is right. The point Mr. Sterling is trying to make, and I think you should be fair to him, is that there is an option. The option is that these people will go running to court, and it could very well rule on a procedural question, as happened in the southwestern case, that the whole process has to start over. Mr. Sterling says the alternative to this is for you to ask the joint board to give this group of people a hearing. He does not feel they have been fairly heard because the route that now has been

approved by the board was not part of the preferred route or of the original alternatives proposed by Hydro.

**Hon. Mr. Kerrio:** We would be tooth for tooth.

**Mr. Charlton:** You have an option of running the risk of allowing this thing to get kicked out in court and starting all over again, or of trying to deal with the question that is before you.

**Hon. Mr. Kerrio:** My option would be to suggest that the system that was put in place does not work. There have been two major involvements and in both of them we would have been put back to square one. Maybe Hydro has to accept the fault in the first instance and so there was another hearing.

**Mr. Charlton:** Maybe it was not Hydro's fault in the first instance either.

**Mr. Campbell:** Thank you.

**Hon. Mr. Kerrio:** But now we are going through the process. What you are telling me is we should find another process.

**Mr. Sterling:** No.

**Hon. Mr. Kerrio:** Absolutely, if every time we go out there we are going to have a third hearing.

**Mr. Charlton:** I prefer to call it fine-tuning the process. What you have is a process with some holes in it.

**Mr. Campbell:** The problem is that if we try to reopen, and the board did come up with a different decision, the people who did not want that could then take that to court and say: "This is double jeopardy. We had a hearing and we won. Then somebody pulled the rug on us and now we are losing."

**Mr. Charlton:** Mr. Sterling has suggested a procedural problem here. You have said, "They have the right to go to court on the procedural question," and we all know what happened in the southwestern case where the coalition took the procedural question to court and won.

I am suggesting to the minister that he needs to have a look at the procedural question. If he can satisfy himself that the people Mr. Sterling is representing were not properly aware that it was a real possibility, because it was not one of the original alternative routes, and that therefore there is a real possibility of their winning the procedural case in court, he has some legitimate grounds to reopen the hearing, avoid the court case and perhaps avoid having your whole eastern Ontario line thrown out in court.



I am suggesting you should look at the procedural question. If they have not been properly notified because it was not one of the original alternatives, then he has a legitimate reason for reopening the hearing for that purpose and nothing else.

**Mr. Campbell:** I think you should be talking with respect to the joint board and the Ministry of Environment people because there is the process. It sticks a bit for me to be here defending the joint board, but I think it is made up of fine people and they are trying to do their job as well.

We believe the joint board took great pains, because it was sensitive to what happened in southwestern Ontario, to make sure that due process and notice and everything was followed in this case. When it made its change, the municipality that represented these people knew it was being considered and had its chance to make its case. In fact, they considered the route that Kanata now is proposing. That has been considered as part of the hearing. We believe they were so meticulous in trying to do that job properly that the procedure was followed. We are not a court of appeal. If they can make a legal case that somehow that was not followed, then God bless. We would like to make everybody happy on this; there is no question about that.

**17:10**

**Mr. Sterling:** I am not blaming Hydro, the minister or the report. As an engineer before I was involved in law and politics—perhaps getting more irrelevant all the time—when I go back to my engineering days, I say, “How do we solve the problem?” We have a group, a community, that is extremely upset. I thought they would have quit about two or three months ago in terms of the whole thrust of dealing with this issue. The exact opposite has happened. They have got stronger. I am concerned about getting power to eastern Ontario. It is not going to be your fault, Hydro’s fault or the minister’s fault, but these people are determined that they have not been dealt with properly.

As chairman of Hydro, you have the only way to fix it. You may shrug your shoulders and say it is up to the joint board or whatever but in the long run you may be making the wrong decision. You may be delaying the line, because you are put in this conundrum or corner where you have to make a tough decision.

**Mr. Campbell:** I hear what you are saying. I think you make a powerful argument for that.

**The Acting Chairman:** I have Mr. South next on the speakers’ list, but I have to take the

opportunity, since I am in the chair, to welcome in the audience my predecessor as member for Halton-Burlington, Julian Reed, who spent many years sitting at this table during these kinds of hearings. Welcome.

**Mr. South:** I was intrigued by the chairman’s remarks on a poll conducted in regard to the high acceptability of Ontario Hydro in Ontario. I also conducted a poll in my riding in 1985. The question was asked, “Do you think there should be stricter legislative control of Ontario Hydro?”

I will wait until I have the attention of the minister.

**Hon. Mr. Kerrio:** I am sorry. I thought you were talking about Mr. Campbell.

**Mr. South:** The question was asked in a householder I put out in my riding. That question had the most positive response of any question I asked; 87 per cent of the people in my riding said there should be stricter legislative control of Ontario Hydro. Are you taking any measures to see there is stricter legislative control over Ontario Hydro?

**Hon. Mr. Kerrio:** To respond to that question directly, this government, with the will to go in and give direction to this whole energy process, has some very important initiatives it would like to see take place. Many have to do with initiatives recommended at the select committee. As you have seen, the government played a major role in accepting what the select committee said about the completion of Darlington. It will not be long, and it may be as soon as tomorrow, when we may indicate some other areas we are going to take into account.

Having said that, what the new government is suggesting as high priorities are conservation and energy efficiency and many of the things that have been described today by the chairman of Ontario Hydro. If these kinds of initiatives flow from an understanding by this government, in a sense without formally changing anything in legislation, we will be accomplishing what we mutually can do for the benefit of consumers in the province.

I am pleased that there has been an agreement on the buying of power from our new small cogeneration and that initiatives are being taken. There is one in Chapeau. You were not here the day before yesterday but we had pictures of the Chapeau plant to energy from wood waste, which is functioning. I think we are going to go there some time in May for the official opening. I hope that is when the pickerel season opens, but notwithstanding that, we are saying that without actually getting involved with legislation, things

are happening in which this government is taking the lead.

I will not go further than that at this time. If it unfolds that way, it will bring into place the things we have asked to happen. I do not know where we go beyond that in the short term, but I think it is happening.

**Mr. South:** I could not help but be impressed when I sat in on some of the hearings in regard to Darlington when we discussed alternatives to nuclear energy. One of the possibilities was the purchase of more electrical power from Hydro-Québec. It was Ontario Hydro that negotiated with Hydro-Québec. I wonder whether that is good.

I am not putting down Ontario Hydro or the people who work for it, so do not read me wrongly. However, I think they themselves should be the first to wonder how objective they can be in such negotiations. I wonder whether we should not try to represent better the people who are going to consume the energy. It does not necessarily have to be electrical energy. I think Ontario Hydro too often gets the first crack at it because it is the biggest and has the most experts.

We should be trying to get more objective negotiation of these essential things that determine the future direction and sources of energy in this province. I wonder whether even the Ministry of Energy can do it. Every group seems to get compromised in one way or another. For instance, one group that would be very objective about the best source of energy would be the leading user of energy in this province. I do not know what that is. Is it the automobile industry? We might select the president of one of the big users and also the chairman of a consumers' group.

I would like to see control of the negotiations taken out of the hands of Ontario Hydro. I question how objective, even with the best of intentions, they can be in their negotiations.

17:20

**Hon. Mr. Kerrio:** Let us talk about an issue that comes to mind immediately. You have posed a question that I think is a good one. I know for a fact that Hydro has become involved in purchasing generation from Quebec. It has put forward some \$10 million up front to guarantee delivery. That power will come to Ontario at a reasonable price if we use all the funding that is put up front, but the reasons for doing it might better be described by the officials from Hydro.

**Mr. Campbell:** I think it is a very good question. I do not disagree with your observation that we need lots of help in making these big

decisions. We work very closely with the government, with the minister on these issues. For example, tomorrow morning we are meeting with people from the Ministry of Energy and with some people from western Canada who want to sell us another form of energy. This kind of thing goes on all the time.

In making decisions on the major options, if we were to propose to build a new generating station, for example, there would be public hearings. There would be public input into it. There would be a forum where everybody who had a view on it would have a say before the decision was made. One of the things we have to do is to demonstrate need and to demonstrate that we have looked at all the options. That is one control.

The government has another control. If we were going to buy power from Quebec, we would have to build a power line. The government would have to approve that power line. We would need to have an environmental hearing process. Everybody who was opposed to the line, not just home owners who did not want it in their backyards but also people who were opposed to the concept of the line bringing power from Quebec, could come forward and we would have to demonstrate the need for the project.

In addition, because the government guarantees our bonds, it has a financial veto over us. We have to demonstrate need before the environmental or the joint hearing board and we have to demonstrate financial need to the Treasurer of Ontario.

If you will bear with me, I will introduce our new president, Bob Franklin. He is new in the job and has been looking at some of these questions. I will ask him to give you his perception of the controls on Hydro right now.

**Mr. Franklin:** You started with the question of accountability. This question has been bothering me because I do not like a public perception that Hydro is not accountable. As a new person at Hydro, I have started to do some serious thinking about this. The first thing I tried to do was to identify some of the levers of accountability that now are placed on Hydro. I sat down one evening and listed them as I knew them. I have been adding to them as I go along as I learn of new ones. Perhaps I can give you the mental list I have so far. I am sure these will not be new to you, but it served me well to see them catalogued on a piece of paper so that I could get them in the right perspective.

The first thing is that the government appoints the board of directors of Ontario Hydro. It is a



citizens' board and has broad representation from the agricultural industry, the business industry and the academic world. It is widely dispersed geographically in the province. You might say it is a citizens' board. It appoints the chairman of the board as well. We are accountable to a government-appointed board whose role is to manage and direct the affairs of Hydro. Of course, we report to the government through the Minister of Energy. His staff and our staff are in almost daily contact on various matters.

We are accountable to the Provincial Auditor. The government appoints private sector auditors who examine us, not only for financial integrity but also for value of money and generally accepted accounting principles. We have our own internal auditors whose reports are available to the Provincial Auditor and the government-appointed auditors. We also appear before certain committees. The Ontario Energy Board reviews all our rates and makes recommendations to the minister. From time to time, there are select committees on almost any subject the government puts to them. There is this committee and there is the standing committee on public accounts before which we appear from time to time.

I am told we are subject to 150 different acts of legislation, municipally, provincially and federally. The main one is the Power Corporation Act, which is the bible that sets out the role and the mandate for Ontario Hydro. There is not a dollar that can be borrowed by Ontario Hydro without the approval of the Treasurer. We cannot build generating stations without the approval of the government, and we must have public input as well. We have already talked about the transmission line problem and how we cannot build anything without final government approval after very exhaustive public hearings.

The Atomic Energy Control Board sets the rules and regulations for operating nuclear plants and in many ways establishes staffing and everything else by the criteria it sets out. The National Energy Board has authority over us with regard to exports, whether we can export and the minimum price at which we can export. There are regional hearings at which we invite the public to comment on various planning assumptions of Ontario Hydro. Mr. Campbell has already referred to the surveying of special-interest groups. Our expansion plan is reviewed annually by the Ministry of Energy.

That is as far as my mental list goes so far. After listing all these things, I begin to wonder why they went out and hired a president because

there is not a lot of leeway in the system. There is not a lot that does not at one stage in the process get public and/or governmental review. I am not denying that the perception you talk about is there; it is. I am concerned about dealing with the reality of it on the one hand and the perception of it on the other hand. It is something we have to put our minds to in the future because I do not think it is good for Ontario or Ontario Hydro to have a misconception abroad.

**The Acting Chairman:** Perhaps this is why they hired a president, Mr. Franklin.

**Mr. Taylor:** You were talking about the relevance of the board of directors. If you are questioning your own relevance, you can imagine the position of the board of directors in terms of public accountability. That is just an interjection.

**Mr. South:** This is interesting. I listened to it all. Having experienced the discussions in regard to Darlington, I think much of what is in place is reactive. In the Darlington hearings, there was the sense of Ontario Hydro coming in with so many damned experts that they could prove water ran uphill if they wished.

I am not criticizing. What I am searching for is that there has to be a better proactive method of going at the strategies because of the tunnels we end up in. With Darlington, one had the sense that by the time we got any input into the process we were so far down the tunnel—the concept of conservation came to be a real possibility—that it had to be a very brave politician who would stand up and say: "No damn way are we going ahead with any more nuclear energy. We are going to put our money into conservation."

**17:30**

All of a sudden we were too far committed to go back, and I am afraid the very same thing is still happening and is going to continue to happen. I do not see an objective, good, counterweight. You, with the best of intentions, Mr. Franklin, have ended up as president of this, but it is my best guess that you will be captivated and compromised in a sense—I do not mean you will do it intentionally, but suddenly you will be—and will become part of the process of selling Ontario Hydro's position. They have a big staff over there; they have all kinds of designers, planners, public relations people, financiers, economists—you name them, they have them. They can put the story together. Their mind is made up in the direction they want to go, and all of us get carried along with it.



I am asking all of you to try to be as objective as possible. I do not think we have the best system of getting economical energy to the people of this province. There must be a better way than the way we are doing it. For instance, how many people do you have in your design or planning section? I question whether Ontario Hydro should have a big planning section. If a big planning section is needed, it should be with the Ministry of Energy, and we should be deciding whether we are going oil, gas, biomass—all these funny things we can do now—nuclear or whatever. If we took all the planning section out of Ontario Hydro and put it with Energy—maybe those guys are not too objective either; I will have to check them out.

**Mr. Charlton:** What about the minister?

**Mr. Andrewes:** He is very objective.

**The Acting Chairman:** No doubt about it.

**Mr. South:** Do you see where I am coming from? The people sense this, in spite of the great public relations job you do, etc. I sent out a questionnaire and asked six questions; the strongest response was that 87 per cent of the people in my riding feel Ontario Hydro should be under stricter legislative control. I am not trying to say this from a partisan point of view or anything else, but under the previous government, there was a sense that there was not strict legislative control. I question how much we, the new government, are doing to change that; I think we should.

A lot of people out there are worried about the direction we are going, and I think we are going down a tunnel and getting ourselves into a box. We have the greatest province in the whole country. We have the technology, and we have the highly trained people here. We have been on the leading edge, and we should stay there; we will not stay there by being myopic in our outlook with regard to energy. I would like to see some kind of dispersal of Ontario Hydro's wealth of expertise; I would like to see some kind of dispersal of that expertise and technology to other people so we can get a little bit of proactive direction to our whole energy strategy in this province.

**Hon. Mr. Kerrio:** I responded in a way that related to the initiatives we are taking. When we talk about the direction we are hoping to be able to go in, remember there are limitations; but as it is unfolding now, those initiatives are being respected by Ontario Hydro. We have talked about getting into the small hydraulic, up to 20 megawatts. We are talking about private sector

involvement in some of those areas that are smaller than it would pay Hydro to develop. We are looking at the initiatives we want it to put in place at this time and we have been getting that kind of co-operation.

**Mr. Taylor:** We were talking about that 10 years ago or more. Now you say one of the things you are going to do is to update that list of small hydro—

**Hon. Mr. Kerrio:** You did not get back a buy-back of any kind. You did not get to under 20 megawatts. You did not accomplish anything. In the time we have been here we have got a lot of co-operation out of Ontario Hydro.

**Mr. Taylor:** Oh, yes? I want to take you up on that when I get on the list.

**Mr. Charlton:** Not now.

**Mr. Campbell:** It is quite a fair comment that we can always find better ways of doing things, and that includes Ontario Hydro. There is one point I would like to make. There may be a feeling the government should have more control over Ontario Hydro. The new government is aware of the controls it does have over Ontario Hydro, and they are very substantial controls. In fact, the government could grind us to a halt tomorrow if it wanted to exercise the kinds of control it already has under legislation. The president has listed some of those. That is one issue.

On another point, I have to take issue with the implication that somehow our system is not serving the public well. I think Ontario Hydro is an organization that all Ontarians should take pride in. It is one of the great economic ace cards we have in this province. We ran out of cheap hydraulic power after the Second World War with the last big developments in places such as Des Joachims on the Ottawa River and so forth; those pretty well exhausted the economic hydraulic power. In most other jurisdictions when that happened and they switched to other forms of energy, the rates went sky-high. Ontario Hydro has managed to keep its rates competitive with those of Quebec and Manitoba, which basically are still completely hydraulic systems. Our rates are right down there with the best in the world.

I do not accept the criticism of Ontario Hydro that somehow the system does not serve the people well. I think more of you people in government should be out selling this; it is something you should take pride in.

Ontario Hydro has a far sounder system than has Hydro-Québec, and yet the government in

Quebec says Hydro-Québec is the jewel in its crown. By all technical measures, Ontario Hydro performs much more outstandingly than does Hydro-Québec. I am not putting down Hydro-Québec, but you can take any measure you want. For instance, there is reliability; we have actually exported more power this year than Hydro-Québec has because we have reliability in our system.

We also have competitive rates; we sell power at half the cost to Michigan. The Americans are complaining that our power is unfair competition to them. That is something that is creating jobs in this province, and people in public life should be going out, as they do in Quebec, saying: "This is a great asset we have. We can do these things, and this is going to be the underpinning for our whole economy."

It is quite instructive that when the Russians had problems with their nuclear reactor, they turned to us. This is the one area of high technology where Canadians are recognized worldwide as the leaders. There is no other area of technology or research you can name where Canadians are recognized as the leaders in the world. We have made proposals to the Soviet Union to help them improve the safety and reliability of their nuclear plants. That is something you should take pride in.

We are quite ready to take criticism, but politicians should stop knocking Hydro so much and start looking a little bit more on the positive side as well. I think you have a responsibility to do that.

17:40

**Mr. South:** I would be the first to say Ontario Hydro has done a fantastic job. I would agree that you are right up there at the top. But you have got us down a tunnel. Until Chernobyl, I am sure the Russians also believed they had one of the best. We believe it. But what the whole thing is based on is pretty fragile when we have to say, in spite of all the gobbledegook, there is no acceptable method of disposing of the radioactive waste. We are 40 per cent dependent on nuclear and pushing towards 60 per cent. What is one of the best electrical utilities in the world could quickly become one of the worst. We should not become complacent.

A lot of people are very concerned about nuclear energy, and that is where Ontario Hydro, with the best of intentions, has got us. A lot of people are worried about it, and I think rightly so. When some of these costs finally come home to us, it could be one of the most expensive

systems, when we work out an acceptable way of getting rid of the nuclear waste.

Who is negotiating right now? You say you—that is, Ontario Hydro people—are negotiating with Hydro-Québec. I think there should be a few experts from Ontario Hydro in those negotiations, but those negotiations with Quebec should be carried out by somebody separate from Hydro and appointed by the political process here. Ontario Hydro should be the expert giving advice to that group, but it should not be negotiating with Quebec for the delivery of power to this province.

**Mr. Campbell:** I do not agree with that.

**Mr. South:** Then we are in disagreement.

**Mr. Campbell:** What you would be doing would be turning over the operation of Ontario Hydro to the political process, and that has not worked—

**Mr. South:** You have too prejudiced a view without having to make a profit.

**The Acting Chairman:** Thank you very much, Mr. South. Mr. Charlton is next, and I have Mr. Taylor on deck.

**Mr. Charlton:** We are short of time; I had a number of things I wanted to raise, but I will try to restrict myself to three of them and hope Mr. Taylor can get a chance to get on as well.

The first thing is about the select committee, which tabled its final report in July. The minister has publicly responded to two of the recommendations of the select committee and essentially said to this committee last week that he was looking favourably at a number of the other recommendations of the select committee—although he has not defined which ones—and the direction that was implied in the select committee report in terms of changes to the system. We have had no response from Hydro; I do not want you to go through all the recommendations, but perhaps you can make a few comments about how you feel in general about the kind of direction that was set out in the select committee report.

**Mr. Campbell:** That is a tall order. I did not expect that question today. There were some sound things in the select committee report, and the government has moved on several of those. There was the recommendation the minister mentioned, the one on Darlington. The government also moved on the recommendation for a review of the safety of our system. We welcome that. Our system has been reviewed publicly from a safety point of view on a number of occasions, by all-party groups and outside technical groups, and has always come up with a



clean bill of health. It is also regulated by the federal government's agency.

We think it is not a bad idea. I agree with Mr. South that we cannot be complacent about these things. We should be prepared to accept any new knowledge that comes out and we would welcome that review. We think we have a good story to tell and we think if we can learn something from other people, that is good too.

One of the areas we have some concern about in the select committee report is that some of the recommendations were not subject to evidence presented at the committee. We talked about the need for full examination of some of the options. Some of the planning options were not subject to full examination by the committee. A concern we have about some of the planning processes set up there is that they could get so convoluted that you could effectively stop anything. We have seen that in transmission lines.

**Mr. Charlton:** I understand what you are saying. You can be quite well assured though that if the government decides to proceed with some of them, those specific proposals will end up back in this committee or in another select committee and you will be part of that process.

**Mr. Campbell:** That is a general reaction to some of the other recommendations. I would worry if you set up a planning process. We talked about how many checks and balances there are now. If you set up additional layers, you could strangle yourselves. This is what is happening in the US.

**Mr. Charlton:** You must agree that we have to find some way to deal with the one basic, major criticism the committee found from the evidence at its hearings. That is the internalized process Hydro now has where in effect what you are doing is considering, perhaps in your planning process, the whole range of options, but you are eliminating options along the way that never become a part of the public scrutiny or the political scrutiny.

What ends up being scrutinized is what your corporate board ends up accepting and proposing to the government as a game plan. Those things that have been eliminated in your internal process never become part of the public scrutiny, and we have to find a way somehow to answer that question if we are going to answer the situation that Mr. South is raising and that, in effect, the minister in his former incarnation raised on a regular basis.

**Mr. Campbell:** For example, one of the issues you are referring to there is efficiency of conservation. We are counting on major efficien-

cies in our system now. There may be a disagreement. We have mentioned here that we plan on efficiencies that will produce the equivalent to a four-unit Darlington station. There may be an additional amount that is possible through subsidies to industry, customers or whatever. That is where you can get into an area of valid differences of opinion of how reliable this will be, how fast it will come on and so forth. We are not ignoring those issues.

**Mr. Charlton:** I understand that. Stop for a minute and think about what you have just said in the context of looking at efficiencies about the size of a Darlington. Think back to your first presentation to this committee in late September or early October when you were saying 1,000 megawatts and maybe, but it is unlikely, finding another 2,000 to 3,000. Now you are up to 3,000 or slightly more than 3,000. The process has changed as a result of what has gone on here.

**Mr. Campbell:** No. I would like to correct that. The 3,000 I am talking about now, the Darlington, was already in the base-load projection that we presented to the committee, and the area of 1,000 to 3,000 we were debating was the extra amount I have just mentioned that we could get through some kind of subsidy. We were always counting on that 3,000 or 3,500.

**Mr. Charlton:** That still does not alter what I am saying about how your comments have changed, Tom. I recall last spring when you sat here before the select committee and said clearly, "We are going to find a way to get the extra 3,000." You were not saying that last October. There has been a change of attitude as a result of the hearings. That is part of what we are talking about in terms of opening up the process.

17:50

**Mr. Campbell:** We are not complaining. I would be the last to say we should have closed minds about these things, if some of them can be achieved.

**Mr. Charlton:** Let us move on to a couple of other areas, because they extend out of what I was just asking about. I was a bit taken aback by your comments in the media a few weeks ago, not because I do not expect supply-side proposals to come out of Hydro in the future—I know they are going to; I am not naïve about that.

**Mr. Campbell:** We talked about demand as well there.

**Mr. Charlton:** Yes, I understand that, but I was a bit taken aback by both the expression and the urgency with which it was being expressed. It was my understanding, and I think everybody

who was on the select committee was left with the impression last spring that, although Hydro fully expected it was going to make major supply-side proposals in the future, Hydro was saying to the select committee that we were not going to see any major proposals coming out of Hydro until you had finished DSOS and applied it to a 20-year plan. All of a sudden, there is Tom Campbell in the press saying, "We have to make a decision quickly about another big one."

**Mr. Campbell:** Actually, I apologize to the committee for that. That story was based on the testimony we had given here. There was another article in Saturday Night that covered the same ground. To give you an indication of how these things change—did you read the article in Saturday Night?

**Mr. Charlton:** No.

**Mr. Campbell:** It was the November or December issue. I will send you a copy. If you read that, you might say exactly the same thing: What is Hydro coming up with now? The article that was written in Saturday Night—

**Mr. Charlton:** Are these by reporters who are a little behind?

**Mr. Campbell:** It was written last May when the select committee hearings were on.

**Mr. Charlton:** I see. That answers that part of it.

**Mr. Campbell:** It was a very balanced article. They even quoted Mr. Rubin in it.

**Mr. Charlton:** This is the one in Saturday Night?

**Mr. Campbell:** Yes.

**Mr. Charlton:** The one I was referring to from a few weeks back was not particularly balanced. If it came out off last May, it did not reflect what was said here last May.

**Mr. Campbell:** Maybe it did not reflect what you said, but I think it reflected—

**Mr. Charlton:** I do not think it reflected what you said in the testimony here last May either.

I would like to raise one last item with you because we are almost out of time. We are not going to be able to go through this in detail, but you are aware of it. It is the case of Eugene Bourgeois and the Bruce plant having a sulphide leak in May 1985. I have piles of letters here from Mr. Bourgeois to Hydro, to the Minister of Energy, to the Minister of the Environment (Mr. Bradley) and letters from the Canadian Environmental Law Association to all three, letters back and forth among the three and letters back to CELA and to Mr. Bourgeois.

I will not go through all the details but I am left with one serious concern about this whole case. We are not going to be able to go through it all here, but perhaps you can respond to this by letter after the estimates.

**Mr. Campbell:** Have you got my last letter, by the way? It was sent some time in November.

**Mr. Charlton:** No; not here anyway.

**Mr. Campbell:** Maybe I can give it to you. If he has given you the rest—

**Mr. Charlton:** Maybe you can give me a response in terms of what the last letter says in a moment. The concern I am left with in terms of what I do have here is we have a situation where we do not have an answer to what happened to Mr. Bourgeois. He was obviously adversely affected by something, and it was not just odour. I had a personal meeting with him some months ago, and the physical effects he had were far more serious than the kinds of recorded concentrations that all the letters here talk about.

We have two incidents when he was affected on a day when we have confirmed there was release of hydrogen sulphide from the heavy water plant. Yet everybody is saying it could not have caused the problem. This guy is a farmer. He works in those fields all the time. The incidents occurred on a day when we have a confirmed release. There has to be some connection, and we have not followed this up far enough, unless some further investigation that is revealed in your last letter says something the letters I have here do not say.

There has got to be something there. There is even one suggestion somewhere in here that it is from another source somewhere else. I say again to you that this guy is a farmer who has worked those fields for years. If there is another source somewhere else, surely we would have known about it by now.

We have to get to the bottom of this. It is fair for everybody to say, "We do not think it was us," but until we come up with an answer, we cannot just drop it like a hot potato. This guy was affected by something. I think it is very clearly sulphur-related. That is the smell that was there. You have confirmed that there was a leak that day and it crossed his property. He has had an impact that you say could not have happened from the concentrations you have recorded. There has got to be something more than what has been presented so far.

**Mr. Campbell:** I would be happy to look into that. I do not know whether you remember your



high school chemistry, but hydrogen sulphide is foul-smelling stuff.

**The Acting Chairman:** That is right.

**Mr. Campbell:** Very unpleasant, even in very small concentrations.

**The Acting Chairman:** That is the stuff they put into little glass capsules to make stink bombs.

**Mr. Campbell:** That is right. It does not take much of it to make you actually nauseated.

**The Acting Chairman:** Thank you very much, Mr. Campbell and Mr. Charlton. It is 6 p.m., and I have Mr. Taylor next in the speaking order. Mr. Taylor, if you do not mind, I have

asked the clerk to make a note that you will lead off tomorrow, if we can have Ontario Hydro back, Minister. We have approximately an hour left in the estimates. We will spend the last few minutes tomorrow with our votes, but if we can have Hydro back, there are several members who wish to speak.

**Mr. Campbell:** What time would you like us?

**The Acting Chairman:** It will be approximately 3:30 p.m. If we could be ready around that time, that would be appropriate.

The committee adjourned at 5:57 p.m.

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### Witnesses:

#### From the Ministry of Energy:

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 Campbell, T., Chairman, Ontario Hydro  
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No. R-19

# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

**Standing Committee on Resources Development**  
Estimates, Ministry of Energy

**Second Session, 33rd Parliament**  
Thursday, December 18, 1986

Speaker: Honourable H. A. Edighoffer  
Clerk of the House: C. L. DesRosiers



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# LEGISLATIVE ASSEMBLY OF ONTARIO

## STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Thursday, December 18, 1986

The committee met at 3:40 p.m. in room 151.

### ESTIMATES, MINISTRY OF ENERGY (continued)

On vote 1701, ministry administration program; item 1, main office:

**Mr. Chairman:** When the committee adjourned yesterday, we were continuing our debate on the estimates of the Ministry of Energy and having enlightened discussions with Ontario Hydro. Mr. Taylor is next on the list.

**Mr. Taylor:** I gather that Mr. Sterling, who is from eastern Ontario, has fully informed you of our transmission problems and that now you understand the problems better.

**Hon. Mr. Kerrio:** Yes, I do, and Hydro as well.

**Mr. Taylor:** I want to comment—this is my first opportunity in terms of Ontario Hydro—with regard to some of the remarks made last day. The chairman of Ontario Hydro had some good things to say about Ontario Hydro. He lectured us that we should be particularly proud of that organization, and there seemed to be a message that we should get off its back.

I want to say initially that I agree with many of the observations in regard to Hydro. I think Hydro is an organization that is well known and well respected worldwide. It is competent—there is a veritable university of talent within that organization—and it certainly knows how to produce power. It has a lot of experience and it is big. Notwithstanding that, there is a public perception that something is wrong with Hydro. I think you have to deal with that perception and come to grips with it. In that perception of something wrong, there is a message that Hydro is out of control.

I ask for the minister's permission, because I am not trying to make these comments or observations in any partisan sense but to give a little perspective on this. I will do it as quickly as I can, because we have only about an hour and a quarter left of these estimates, and we have to get on to the Ontario Energy Board.

There has been a cross-section of complaint in regard to Hydro. For example, going back to 1973, the then member for Brant (Mr. Nixon), now the Treasurer and the minister of everything

in the new Liberal government, stated, "I for one will never vote in favour of any further separation of that monolith"—he was talking about Hydro—"from the public control of this Legislature."

In 1975, the member for London North (Mr. Peterson) said—imagine how history takes care of things; he is now, a decade or so later, the Premier—"We have had a situation whereby Ontario Hydro has operated pretty much on its own. It has drawn up its expansion plans and has submitted them to the government merely for rubber-stamp approval. Even the Ontario Energy Board, the regulatory agency of the government, can only make recommendations, many of which in the past have been ignored by Ontario Hydro."

The next year, 1976, the member for London North, now Premier, said: "Hydro has run virtually on its own. They have been the authors, virtually the authors of all of the policies and all of the plans, running in many respects outside of government. That can no longer be. The times have changed, the mandate has got to change."

In 1978, two years later, Liberal energy critic Julian Reed introduced a private member's bill. The title was An Act respecting the Public Accountability of Ontario Hydro.

In November 1982, Liberal member Pat Reid introduced a private member's bill entitled An Act to control Empire-Building in Government, which was concerned primarily with Ontario Hydro.

There was the introduction of An Act to amend the Power Corporation Act by the present Premier on October 31, 1983, which would have required the approval of the Legislature for borrowing by Ontario Hydro, for borrowing by the government of Ontario on Hydro's behalf and/or for government of Ontario guarantees of Hydro bonds.

In the same year, there was the introduction of another bill to amend the Power Corporation Act by the member for Renfrew North (Mr. Conway), now the Liberal Minister of Education, which would have required the approval of the Legislature, after a hearing by one of its committees, for the appointment or reappointment of the chairman of Ontario Hydro. Can you imagine that?

**Mr. Campbell:** Could you read that again?

**Mr. Taylor:** This is all the good stuff the then opposition and present government was commenting on. In July 1982, there was an Ontario Liberal communiqué by the member for Niagara Falls and then energy critic (Mr. Kerrio). See how history takes care of everything.

It starts off, "The mothballing of the Lennox generating station near Kingston demonstrates that Ontario Hydro is a Goliath out of control." I will not go on with that.

**Hon. Mr. Kerrio:** You were very kind, actually.

**Mr. Taylor:** The message is the same. I see a Toronto Sun headline here, "Ontario Hydro Called Monster on the Loose." Can you imagine that? This was in 1984.

**Mr. Campbell:** Who said that?

**Mr. Taylor:** The Toronto Sun, on December 30, 1984, said, "Ontario Hydro is 'a runaway monster' selling captive customers an inferior product at too high a price, says Liberal energy critic Vince Kerrio."

**Mr. Campbell:** He must have been misquoted.

**Mr. Charlton:** They sold the monster to the ministry for educational programs.

**Mr. Taylor:** This makes good reading.

A headline in June 1985 said, "'Hydro Needs Full Overhaul,' Critic Claims." The article began: "Ontario Hydro needs a complete overhaul, including a new chairman, according to Liberal energy critic Vince Kerrio. The Niagara Falls MPP said yesterday that, in his opinion, a David Peterson government would make a hard look at Hydro and its \$22-billion debt as a top priority." I will not read the rest of that, but I think you are familiar with it.

In May 1985, a headline says, "Hydro Watchdog Will Be Resurrected." This quotes the member for York South (Mr. Rae) and the member for London North. This is the ecumenical influence here. The article dealing with this, and there is a picture of the member for York South smiling, refers to an approval system for setting hydro rates. It says, "The Ontario Energy Board now makes recommendations, but they are not binding and Hydro has ignored them in the past." It goes on: "Ontario Hydro may well come under fire once again. Both opposition leaders are promising to establish a tough-minded special committee to examine the utility's affairs during the next Legislature session."

In March 1986, "Liberals Plan Overhaul to Make Hydro Lean." This is the lean look. "The Liberal government plans major changes to

streamline Ontario Hydro in order to cut spending and stabilize electricity rates, Energy minister Vince Kerrio says. Among the 'fundamental' policy changes will be a move to strip the provincial crown corporation of major design, engineering and construction responsibilities and give them to the private sector, he said yesterday."

That reminds us of what the member for Frontenac-Addington (Mr. South) said yesterday. He was commenting on the expropriation of those activities and transferring them to a ministry of government, as I sensed the message he was advocating, again as a member of the Liberal Party.

### 15:50

That is something I am interested in pursuing further, because the minister has been talking about controlling Ontario Hydro. We have not heard the details of his strategy in regard to how he will lasso this large corporation and bring it under control and how he will guide it as he and his leader say it should be guided and as members of his party mention should take place. I am still anxious to hear how all that will be accomplished.

I know there are problems within Hydro. Just the other day in that famous county town of Napanee—and some of you may know where that is—I was reading the Napanee Beaver. I am sure the editor will be delighted to have this quoted in committee.

**Hon. Mr. Kerrio:** Is this Energy or Natural Resources, Mr. Taylor?

**Mr. Taylor:** This is Energy. The headline reads, "Hydro Research Drillers at Richmond Township Quarry." It goes on: "Is Ontario Hydro checking out an old quarry near Roblin as a possible dumping site for PCBs? In a word, no."

I might say this is the December 10 edition of the Napanee Beaver. Listen to this little bit of a story. It is quite interesting.

"It was a question plaguing Richmond township residents. They reported having seen Hydro trucks and personnel drilling test holes in a quarry owned by Wimpey Construction. 'Sheer nonsense,' said Norman Manning, a corporate relations officer with the utility. 'We have no trucks in that vicinity. We do not know what is going on up there and we do not store PCBs anywhere else than on Ontario Hydro property,' Manning insisted.

"He made those statements in response to inquiries to the Beaver Monday afternoon."

Then there is the heading, "Different Story."



"By Tuesday morning, however, the story was different. Somehow, previously well-oiled, interdepartmental communications at the public utility broke down. In a late-breaking development, Manning called the Beaver back. He was one very upset corporate communications officer. It seems no one from head office had told him Ontario Hydro research personnel from Toronto were in fact drilling in the old Richmond township quarry and had been for the past three years.

"I am furious with research for this whole situation," Manning says. What made Manning doubly angry was the fact his office was subjected to countless telephone calls reporting all kinds of strange activities in the quarry."

There is a little episode in the field with Ontario Hydro and the problems within a large corporation of really knowing what is going on in that organization, with communications officers and with others throughout the system. I compliment the technical skills of so many in that giant organization; nevertheless, I am sure there must be some other communication problems.

Yesterday we heard about the regulations. The new president mentioned the external restrictions and controls Hydro is subjected to. It is probably the biggest manufacturer of restrictions, regulations and controls of any organization in terms of its own activities and the function it performs in Ontario. I will not take time to get into that in more detail at the moment.

There is a perception that Ontario Hydro is a fat cat, that there is an abuse in terms of the utilization of capital equipment and manpower to do little jobs and that there is a need to review Hydro fully, right from the bottom to the top. We have been doing it from the top, but it should probably be done from the bottom to the top.

There is another matter that comes to my attention which I have some concern about. That is a report that "Hydro Fears Shortages of Power by 1990s." That was the heading in the Toronto Star on November 16, 1986. The article began:

"A booming economy and record levels of electricity consumption mean Ontario Hydro must construct another huge power station or face power shortages within a decade," Hydro chairman Tom Campbell says."

What concerns me is that a decade ago Hydro was lamenting the fact that lead times had increased during the years, that there had been an evolution and an extension of lead times for new power plants. When we talk about a nuclear power plant, we talk about lead times of something like 14 years. We are just about into

1987 and we are talking about the 1990s. Maybe a part of our lead time has already expired if we are talking about another generating station that would utilize nuclear fuel.

Therefore, somebody has to do some thinking about future plants in a very real way if that fear is real and if this province is going to face that kind of shortage. I do not think, realistically speaking, that Hydro is going to go around to try to find more one-megawatt turbine sites, little waterfalls and that kind of thing to harness. They have not done so in the past and I doubt very much that the minister, with his updated list of small hydro sites, will meet the long-term demands of this province for electricity that way. If the past is any indication of the future, I do not think that is as realistic as he or some others might happen to think.

If that is so, surely there must be some real planning going on as to what Hydro is going to do in specifics. What we have seen during the past period is that it upgrades the coal station in Windsor and then shuts it down. The one in Toronto was shut down. The coal operations have been phased out, with the exception of one or two. Hydro had a new one in western Ontario. It was going to be doubled, but I think it has been cut in half.

**Mr. Campbell:** There are five.

**Mr. Taylor:** Hydro has five separate locations in Ontario that burn coal now. It would be interesting to know what its plans are in terms of future coal.

I gather there was an adventure here from certain people from British Columbia trying to peddle more BC coal. I do not know what has come of that. That is a buy-Canada project and a lower sulphur content. I appreciate the economics of United States coal, western Canadian coal and so on, but I would be interested in knowing the mix Hydro plans if it is going to develop further coal-fired stations and whether it will get into scrubber equipment and so on.

In terms of existing plants, Hydro has written off Wesleyville, and that was a carbon copy of the Lennox station. It was mentioned that there was still some potential for the Lennox station in terms of actually operating it. I would be interested in knowing just how realistic that potential is, because it has become a bit of a political issue in my riding, with the members of the Liberal association writing to the minister to try to make a little bit of hay. I appreciate the political game. There are no hard feelings in that. If it can get that publicity and if the Liberal Party

can improve its image in my part of eastern Ontario, more power to it. Excuse the pun.

It is a very serious problem to people who moved there and have stayed and lived there and have lost their jobs there because of the rise and decline of the Lennox generating station. If there is still hope, then I think we should know that and we should know how it will figure in the future of the area.

In terms of alternative fuels—whether you are talking about utilization of different fuels, whether it is a coal-oil type of slurry mix, or what progress has been made in regard to utilization of different fuels for these types of plants—I come back to my basic concern that somebody has to be doing something in view of the fact that the lead times are so long.

I am not going to be very long now, because we cannot do an adequate job in a committee such as this; you all know that. It is almost a laugh. We have the meter running eight hours, everything is covered and we do not even reduce the minister's salary. Nothing really comes out of it.

16:00

**Hon. Mr. Kerrio:** I am in a tax bracket now where you can do it.

**Mr. Taylor:** You can make your donation to me, if you wish, if you feel overloaded.

In any event, for the few moments that I am permitted to take, I want to have you comment on your external operations in terms of trying to hold together your well-qualified, talented staff with world opportunities, probably carried out through your new business ventures division. Can you comment on the success of that, how that figures in in terms of strengthening your operation? Are there liabilities that may be taken on in regard to that which can impact on the corporation in a financial sense, which can make some contingent liabilities there that can bias or prejudice Ontario Hydro in any way? How do you see Ontario Hydro carrying on in the international marketplace, merchandising its talents and getting involved in energy projects in other parts of the world?

I would appreciate a few comments on that. I am sorry I have to be brief but time forces me to.

**Mr. Campbell:** I appreciate the comments. The quotes about Ontario Hydro are an indication of the lively interest people of all parties take in Ontario Hydro. That is healthy. I think you are saying that ensures we get close scrutiny.

We mentioned yesterday the numerous kinds of controls we have on our policy-making. Therefore, it follows from this that we have to

have very extensive consultation with the government on virtually every major policy issue.

You mentioned—I will try to take them in order and if I miss anything, please remind me of it—the article on new plants and supply. Mr. Charlton referred to this yesterday. The information there is basically taken from the testimony we gave before the select committee on energy; although it may appear to be somewhat different, it is based on the same facts. We are not crying wolf there; we are saying there is continuing growth in the system. These are just facts. In the past two years, our system has grown at approximately the rate of one Darlington unit per year.

You mentioned the long lead times, and that is a problem for nuclear plants, but we have some plants on which we probably have a shorter lead time. For example, we announced with Mr. Kerrio more than a year ago that we were starting the studies phase to redevelop the Ontario power plant in Niagara Falls. We assume there will be a shorter lead time for that. We think that can be accomplished within 12 years, which will bring it into the 1990s, and that will help to meet some of the load growth we are talking about. We also have some other projects like that.

In addition, we are looking at conservation with substantial savings as well. Some of that could be a shorter lead time. We mentioned that we have power in our mothballed plants. We have five operating coal plants: Atikokan, Thunder Bay, Lambton, Nanticoke and Lakeview. Hearn and Keith are mothballed coal plants and Lennox is a mothballed oil plant.

Lennox is the most modern of those plants. It is quite a good, modern, efficient plant. Although its fuel is high-cost, the plant could make good economic sense as a peaking plant because it is there and we have it on stream. Yesterday I mentioned it will be opened. There is no question in our minds that it will be opened; the only question is when. That depends on a number of factors. Load growth, the economy and oil prices are all in the equation and there will come a time that it will make sense to open it.

Out of consideration for the staff involved, we would like not to have any discontinuity there. In other words, once we make the decision to open it, we want to tell those people—in fairness, because they have to move their families and so forth—it is going to be open for a considerable period of time. The best guess we have right now would be some time before 1990, just in the next few years. We considered it this winter. The economics were not quite there this winter, but



each year we will do an assessment and we expect somewhere in that range.

The Keith and the Hearn plants are much older, less efficient plants that are more costly to operate. The problem they have would be environmental. In an emergency, you could bring them on and they could keep your lights on, but there would be both a cost and an environmental problem that we would have to deal with at that time. Those are things that could be done in a shorter lead time that would give us some space.

You mentioned our new business ventures division. We are quite happy with it and proud of it. Local 1000 of the Canadian Union of Public Employees has been very supportive of our efforts there. It sees the work of Hydro winding down, particularly in some of our construction areas, and it is concerned about jobs, continuity and so forth. Exporting our expertise is seen as being good for Canada, good for Ontario and good for employees because it maintains employment and brings a lot of work to Canada. Most of the design work on foreign jobs is actually done in Canada.

We also have a policy to support Canadian industry and Canadian consultants. We try not to go out to compete with them; we try to involve them in these projects. We are part of a consortium of various Canadian companies. The most common pattern is that the Canadian corporations want to have us involved because of foreign governments, such as China, which want an agency such as Ontario Hydro that actually has hands-on operating experience. We are in several projects in China with major Canadian companies.

Another example of supporting Canadian industry was our involvement with Atomic Energy of Canada Ltd. in helping to train the operators of the Candu plant in Korea. We are proud of that because those people outdid us last year; they had the highest-rated plant in the world in terms of efficiency. It is a brand-new plant and so forth but it is operating very well.

**Mr. Taylor:** Did you indicate the capital advanced—

**Mr. Campbell:** We did not get into that at all. That is a good question. You asked whether we put any of our ratepayers' capital at risk. Our policy is that we do not get into capital investments such as that; we act as a subcontractor. In other words, we would be there subcontracting to AECL. We are not taking any risk in operating the plant. We are there and we are doing a job where we have a guaranteed return

for our work. To support Ontario and Canadian industry, we agreed with AECL and we consulted the government on this.

#### 16:10

In the event that Canada obtained the contract to build a nuclear reactor in Turkey, one of the requirements of the Turkish government was that it wanted Ontario Hydro to participate in the project and actually to operate the reactor for 15 years and to train the Turkish technicians during that period so they could take it over. We had an arrangement with AECL whereby we agreed to do that. We were not going to be putting our money into Turkey or putting our people at risk there, but we would act as a subcontractor to supply the training, services and expertise in that area.

We would do that again, because it brings money to Canada. It is exporting our knowledge. It is one of the best kinds of exports we have. It is clean, nonpolluting and all the rest. In addition, it is a very important Ontario industry. They tell us the nuclear industry is basically centred in Ontario. There are about 25,000 jobs involved directly and about another 25,000 indirectly dependent on that industry.

One of the problems is that there are no orders for nuclear reactors. The Darlington reactor is our last one on order. That industry is going to be facing a crisis down the road, so if we can help support it in foreign sales, we think we are being good corporate citizens and good Ontario and Canadian citizens, because it is a very important industry in Ontario. That is the way we operate.

I am happy to say that our new business ventures division, formed two years ago, is already showing a profit of several millions of dollars and creating a lot of employment for people. Also, the profits it shows go back into lowering our rates and our borrowings. Therefore, it is a direct benefit to our customers. That is one we are quite happy about.

I do not want to take up too much time here but if I have missed anything, I would like you to ask.

**Mr. Taylor:** I will not pursue this, because there is not time to get the details. I have some appreciation of what you said but I am interested in the relationship between Ontario Hydro and the new business ventures corporation. You mentioned that it was assisting rate reduction.

**Mr. Campbell:** As I said, it makes profits.

**Mr. Taylor:** I do not know how that money flows or is transferred.



**Mr. Campbell:** It is a division of Hydro; it is a part of Hydro. We are not allowed to make a profit under the Power Corporation Act; we have to provide power at cost, so all the profit we make goes back to our customers, in effect. That is what is happening there.

**Mr. Taylor:** There is no time for detail on this, so I will refrain from further questions.

**Mr. Charlton:** I have one additional question, which I forgot in the steam of the last few minutes yesterday. It has to do with the tritium recovery plant at Darlington and the proposal to start moving heavy water contaminated with tritium from Bruce and Pickering to the Darlington site.

First, when is it proposed to start using the new containers? Second, can you tell us a little about what has happened in the past in the movement of contaminated heavy water: by what method, how often and that kind of thing?

**Mr. Campbell:** We have a tritium recovery plant under construction. That is basically to remove the tritium from the heavy water in our plants. The primary purpose is the safety and welfare of our workers, and I think that has received general support even from people who are close to a lot of things.

The tritium in the heavy water is at a very low level of concentration and it has been moved on highways for many years. Any kind of transport of radioactive material is under the regulation of the Atomic Energy Control Board.

For this new plant, we have developed new kinds of ultrasafe containers. I think it is fair to say the new system of transportation will be much more secure and much safer, because the containers are very solid. They are designed to withstand a head-on collision, that kind of thing, and survive unscathed.

The amount of tritium in the water is at a very low level. We store it in barrels around our plants and it is not considered that dangerous. The tritium removed from it is very widely used. For example, if you travel in any modern airplane and you are sitting near the exit, you are sitting beside tritium. There would be more tritium there than in a barrel of this water.

**Mr. Charlton:** I understand all that. My understanding is that the new system of shipment is supposed to start soon. I am trying to find out when. A number of questions have been raised with me and I cannot answer them.

**Mr. Campbell:** I am sorry. When is that due to start?

**Mr. Niitenberg:** The cask is being tested, but as far as tritium removal is concerned, it will not be until the spring of 1987.

**Mr. Charlton:** The actual shipments will start some time this coming spring?

**Mr. Niitenberg:** The shipments of heavy water which contain tritium and other low-level and medium-level radioactive material have been made for many years. There are about 500 shipments per year. The shipments are made in accordance with provincial and federal regulations and on the basis of standards established by the International Atomic Energy Agency. Vehicles carrying these packages are clearly marked. The drivers carry instruction cards to identify the cargo and potential hazards. We have run more than 200 seminars since 1979. Along the routes, all the police and fire personnel are aware of it. Depending on the level of tritium, the material is shipped in either 40-gallon drums or in these crash-proof containers.

To reinforce the point Mr. Campbell made, this is a special container licensed by the Atomic Energy Control Board. Its design is based on international standards. It can be dropped from a height of nine metres without any damage. It can be immersed in petroleum and set afire at 800 degrees centigrade and not be damaged.

**Mr. Taylor:** Members of the Legislature should have cars made out of that stuff.

**Mr. Niitenberg:** It can be immersed for eight hours under 15 metres of water and not leak. These are some of the design characteristics.

**Mr. Charlton:** Perhaps I can get to whether my understanding of what you have just said is correct. You have been shipping heavy water contaminated with tritium for a number of years. The new container, though, this container you have just described, is designed for safer shipment. What does that say about the past number of years? What led to the decision to move to this new container?

**Mr. Niitenberg:** It is simple. There is no sinister plot or anything like that. As the reactors operate, the level of tritium in heavy water keeps building up. In the future, we expect to be shipping older heavy water, which will have higher tritium levels than the younger or unused heavy water we have managed to use up to now. To offer additional assurance—not the fact that any other shipments have been unsafe or anything like that—the decision was made that we may be carrying tritium or higher levels of concentrated tritium. A shipping cask was ordered, designed and built and is going into service.

**Mr. Charlton:** So that I can fully understand this—

**Mr. Chairman:** Can you make this the last one?

**Mr. Charlton:** This is the last one.

The new container will be used for heavy water which has higher concentration levels of tritium than you feel would have been safe in the old containers, and the new container will be used only for concentrations of higher contamination. Essentially, what you are calling new heavy water will continue to be shipped by the old method.

**16:20**

**Mr. Niitenberg:** Totally new heavy water will be shipped in drums. There is no tritium in it.

**Mr. Campbell:** There is a lot of misunderstanding about tritium. Here are some commercial products that are filled with tritium. I mentioned airline marker lights. People use them for remote runways because they do not require an external source of power. This is an emergency road-lighting thing that the police could use. You can buy these for your house and put them beside your light switch so you can find it in the dark. It is encased in plastic. The radiation from that is such that it does not penetrate the plastic. It is not high-level, fearful stuff. This is refined tritium. You can buy this stuff on the market.

There is some misunderstanding that somehow the stuff that is being shipped is deadly stuff. You are going to be able to buy these in your corner hardware store soon.

**Mr. G. I. Miller:** Have you been looking at using the excess water, particularly in Lake Erie, for generating additional energy so that plan 25N would be feasible and there would be a workable solution to controlling the water level, particularly in Lake Erie? I believe it is at least a metre above normal, and it seems to be rising.

**Mr. Niitenberg:** There may be some misunderstanding on the lake levels. Unfortunately, the Great Lakes levels go in cyclical time periods. Since the mid-1960s or late 1960s, the rainfall and snowfall have been well above average. In 1985, the rainfall across the Great Lakes drainage basin was 25 per cent higher than normal. That is what is causing the levels to rise.

We cannot utilize the extra water, and water is being spilled over at the Niagara Falls installation and farther down the St. Lawrence at a number of other installations. Yet in 1974 and 1975, the levels were so low that the hydraulic stations on the north shore of the Great Lakes had their intakes out in open air; there was no water to run them.

At Niagara Falls, we are looking at making better use of the water that comes through as an average flow. If the plan to blast the limestone ridge at the mouth of the Niagara River is implemented, it will mean more water will go over the falls. Flooding and lake levels are obviously serious problems, but we are not getting any benefit in trying to keep the water back, because we cannot; it is a natural phenomenon.

**Mr. G. I. Miller:** I am not suggesting you can keep it back. I am asking whether we are looking at harnessing that excess water for producing hydro to offset the cost of plans such as 25N.

**Mr. Niitenberg:** If we were looking only at the high interim water flow, by the time we got the station built, the water levels would conceivably be low, if they follow the historical cycles. Part of the planning process we are looking at right now is how much redevelopment should go on at Niagara Falls.

**Mr. Chairman:** Do you have a supplementary on that, Mr. Taylor?

**Mr. Taylor:** Not precisely, but before Hydro goes, I have a question for the next people, the Ontario Energy Board, in terms of setting rates. I am interested to get in advance the reaction of Ontario Hydro to the suggested authority of the energy board to set Hydro rates.

**Mr. Chairman:** Can we make this the last question to Ontario Hydro?

**Mr. Campbell:** If you consider the historical perspective on that, the Ontario Energy Board has been looking at Hydro's rates for 14 years. In that period, the recommendations of the energy board and the rates finally established by Ontario Hydro have been very close. In most years, they have been the same. On a few occasions, Hydro has had somewhat higher rates than the energy board recommended. For the past couple of years, our rates have been somewhat lower than the energy board recommended.

If you take the total picture, it is very close; it is within two per cent or three per cent over the 14 years. If Hydro had accepted every energy board recommendation, the rates right now would be two per cent to three per cent higher in total. You are talking about quite fine tuning over that time.

**Mr. Taylor:** You do not see any problem then.

**Mr. Campbell:** Yes, there is a problem. First, it is not a problem in that the two are very close. Two years ago, the energy board mentioned a problem in its recommendation. Because of the public hearing process, we have to make our



prediction for the 1988 rates, for example, early in 1987. We have to get that all out to the public, give the background so people can study it and have hearings. The energy board has its hearings in the spring, in May and June. It writes its report in August. By then the material on which it based its recommendation is already nine months out of date, and this is just part of the hearing process. We have nine months' worth of more recent material.

Two years ago, the energy board said, "On the basis of the information we have, here is what we recommend, but we recognize you have to keep changing and fine-tuning this." For example, last year, because the price of oil dropped and the US utilities that were buying our power brought a lot of their oil plants back on stream, our exports dropped very sharply. You could not have predicted that nine months before; it was not possible. In addition, you have seen the fluctuation of the Canadian dollar over the years. If anybody could predict that a month ahead, let alone a year ahead, he would be rich.

For these reasons, it works best for the system and for the customer to have the Hydro board retain the flexibility to do that fine-tuning at the end so our customers are not paying too much or too little. If you did not have that, you would be in danger of overcharging your customers because you have to do it on estimates based a year in advance, or if there was a change and you undercharged your customers, you would have to come back the next year and they would have to take a double whack. By law, we have to make the two ends balance. We do not run a deficit. We have to provide power at cost.

The system works very well now, and what we are talking about is very fine tuning.

**Mr. Taylor:** Only you can keep your finger on the pulse.

**Mr. Campbell:** The process would require using much more out-of-date information, and it would put the customers at a greater risk of being either overcharged or undercharged. That is all I am saying. For example, our major customers are adamantly opposed to it, because they think it is important to get the best possible rate rather than to be overcharged or undercharged.

**16:30**

**Mr. Chairman:** Thank you, Mr. Campbell. I am sure I speak for members of the committee when I say we appreciate your attendance at these estimates.

We have 25 minutes left with which to deal with the Ontario Energy Board. The vice-chairman, Mr. Butler, is here, and a couple of his

cohort. Welcome to the committee, Mr. Butler. I hope you will introduce the aides with you.

**Mr. Butler:** I have with me today George Cooke, on my left, and Bob Cappadocia, on my right; Dennis Dean is sitting at the back with another board member.

I have a short statement to make, but in view of the time element, I am not sure whether you would like me to do that. I am in your hands.

**Mr. Chairman:** How long is your statement?

**Mr. Butler:** It can be anything from about three minutes up to 10 minutes, depending upon what I cut.

**Mr. Chairman:** Can you give us about a five-minute version?

**Mr. Butler:** I will see what I can do.

Mr. Macaulay, who is the chairman of the board, asked me to apologize on his behalf for not being here today. He is in Cobourg, attending a press conference at which the report on liquefied natural gas is being released.

Perhaps I can say a few words about the board for those who may not be familiar with it. The board was created 26 years ago by legislation embodied mostly in three acts. That legislation not only establishes the responsibilities the board has but also defines the limits of its jurisdiction. In summary, the jurisdiction covers the board's responsibility for the regulation of the gas distributors and the distribution-system expansion in Ontario and the review of Ontario Hydro's rate increases. In addition, the board receives references from the Lieutenant Governor in Council, the Minister of Energy and the Minister of Natural Resources.

In addition to the normal hearing load with respect to gas rate matters and system expansion approvals, this past year the board has been involved with an LNG proposal, to which I have just referred, and numerous matters resulting from the major changes taking place in the natural gas industry. These changes stem from the western accord, which is sometimes known as deregulation.

The additional time the board has been involved with the LNG proposal and deregulation has imposed a tremendous strain in this past year on the board, its members, staff and budget. We are expecting to exceed our budget this year; however, it will all be recoverable from the utilities. We expect the work load is not going to decrease; in fact, it may well increase and result in our requiring additional staff, space and funds.

As an example, the LNG application added more than 40 hearing days to the load. We have



just released that report this afternoon. The board has recommended against the construction of the LNG facility, essentially on the basis that the need has not been adequately demonstrated. There are alternative methods of meeting perceived peak demands of consumers. The board believes those alternative methods will be more consistent with the public interest.

The minister noted in his opening remarks on these estimates that lower-priced gas is flowing into Ontario. That is so. However, the board was not very satisfied with the agreements the utilities negotiated with TransCanada PipeLines, and thus the approval of those proposals was limited initially to six months. In return for certain concessions, the board agreed to extend that approval for a further six months. That is a one-year term in which the board will be monitoring what happens to determine in which direction we should go in the future.

I should tell you that at this point, Ontario is a leader in the field of deregulation. We are receiving calls from the United States and Canada with respect to the actions taking place in Ontario. Although the US did have a head start by a couple of years in its approach to deregulation, as far as we can tell, we are just about on a level with most of the states with respect to this.

The term "deregulation" suggests less work for the board. However, it has increased instead of decreasing. Rather than dealing with a few major utilities and a number of small ones, we now find ourselves involved with literally hundreds of applications for transportation rights, buy-sell agreements, etc. To date, we have handled some 300 applications, and our understanding is that we will be faced with probably another 600 to 700 in the next short while.

Those applications deal largely with industrial consumers. The board is also concerned with the smaller customers, the residential customers and the small commercial customers. These are the people who cannot take advantage currently of the direct-purchase options. We will be monitoring this very carefully over the next short while. We are hoping TransCanada PipeLines and the utilities will renegotiate and produce something better for the small users, but this is something we have to wait and see.

I should add that the chairman and probably myself will be going to Alberta shortly to try to find out what its problems are and to try to explain our views; it may be a little easier face to face than through decisions.

That is my short, five-minute version. We are now available to answer any questions.

**Mr. Chairman:** We could all learn some lessons from your ability to condense your speeches.

**Mr. Charlton:** Because of the pressure of time and because others have questions, we will not have as lengthy a discussion as we had last year.

**Mr. Butler:** It probably will not be as colourful with Mr. Macaulay not here.

**Mr. Charlton:** I assume you are familiar with the recommendations of the select committee on energy.

**Mr. Butler:** Yes, reasonably.

**Mr. Charlton:** I am interested in whether you have any comments in relation to its findings on the Ontario Energy Board and an increased role in your supervision of Ontario Hydro, specifically with respect to rate setting and the OEB conducting a review of the hydro planning process and proposals for the long term.

**Mr. Butler:** I can probably only reiterate the comments that have been made by Mr. Macaulay on many occasions. The board is a creature of the legislation. The recommendations have been made. Should the government choose to require the board to undertake any such additional roles, the board is able and willing to do so. If it becomes a requirement, the board can easily gear up to undertake whatever is asked of it.

**Mr. Charlton:** Perhaps you can respond to the specific comment we had from Mr. Campbell a few minutes ago while you were at the back of the room, when he responded to Mr. Taylor's question about rate setting. Without quoting him exactly, Mr. Campbell's response was essentially that he felt that might cause some problem because of this question of perhaps overcharging or undercharging and that Hydro is in a better position to fine-tune towards the end of the year because of the changes in figures that result during the course of the year.

I think the same kinds of problems exist in the rate setting you do for the gas utilities. My understanding is that you have a hearing process to deal with changes that occur after a rate is set, such as changes in the economy, changes in gas prices and so on and so forth. Do you feel you could adequately handle the kind of concern Mr. Campbell expressed?

**16:40**

**Mr. Butler:** I think the short answer to that is yes, the board could handle any such change. In

the case of Hydro, the rate changes take effect in January of a year. The process is set up in such a way that the board's report has to be issued at the end of August to provide an opportunity for the Hydro board to evaluate that information, together with all other information it receives at that time.

In the case of the gas utilities, the board's hearing takes place and the decision is rendered generally about the date the rates become effective. The information the board is using with the gas utilities is the latest available to it. During the hearing into gas rates, there is a continual updating process. We start off with financial information, which is based on a three-month actual and nine-month forecast by the utility for the year—the current year and a forecast year. During the course of the hearing, that would be updated to a six-month and six-month or maybe even to a nine-month and three-month, depending upon the timing. During that process, the forecasts are also adjusted. In that way, when the board renders its decision, it is based on the most current information available to us.

**Mr. Charlton:** What you are suggesting is that if you had the authority to regulate Hydro's rates, as opposed to just recommending as you now do, you could set the process back so that your final decision on rates could be made very late in the year and very close to the time those rates would come into effect, using the most up-to-date figures, as Hydro now does anyway.

**Mr. Butler:** It would be closer to the date they come into effect or closer to the date that it is necessary to inform the industrial consumers, whatever the requirements are. That is the change that could be made.

**Mr. Taylor:** Carrying on from there, you are saying you could be equally as current as Ontario Hydro, so that you would be fully informed of all the facts in preparation for rate setting. In other words, you would be no more disadvantaged than Ontario Hydro in rate setting.

**Mr. Butler:** On the basis of the evidence that would be available to us, I suggest that is correct.

**Mr. Taylor:** Presumably, there is no reason you would not have all the evidence, unless it were withheld.

**Mr. Butler:** The only difficulty I see is that the hearing process itself requires time for the board to consider all the evidence, make its decision and produce that statement, whereas the Hydro board of directors perhaps has an advantage in considering information that is current. It makes

a decision there and then without having to produce a written decision that goes out to other people. There may be some minor differences, but in terms of the timing, the information flow and the currency of that information, adjustments probably could be made.

**Mr. Taylor:** I do not want to pursue that. It seems to contradict the fears of Ontario Hydro. That satisfies me in that respect. I appreciate what you have said as well. You are not expressing an opinion on whether you should be doing it; you are saying you are capable of discharging that function should it be your duty to do so.

**Mr. Butler:** The question was whether we could do it, and the chairman has said that on a number of occasions, but it certainly is not our decision and I would not express an opinion on that.

**Mr. Taylor:** Do you involve yourselves in rates for interruptible power as well?

**Mr. Butler:** I am not sure I understand what you are saying.

**Mr. Taylor:** As you know, there are reduced rates for industries that want to contract for interruptible power. It is a great saving to the consuming industry. I am wondering whether your board is involved at all in the pricing of interruptible power.

**Mr. Butler:** During the hearing, the board does consider Hydro's proposals with respect to those special-condition rates and the interruptible-power rates. I am not sure whether you are asking whether we agree with them.

**Mr. Taylor:** I am wondering to what extent, if any, you influence those rates. Industries have been operating for years without interruption, with literally millions of dollars of savings in electricity rates because they have contracted for interruptible power. I am wondering to what extent you may influence, or whether you do, the setting of those rates.

**Mr. Butler:** We have made recommendations on that. Perhaps Mr. Cooke can add something in that respect.

**Mr. Cooke:** In the board's report, which was submitted to the minister in August 1986, the board touched briefly on the special-condition rates. I think it is fair to say it encouraged Hydro to investigate further the use of special-condition rates for industry or, for that matter, for others, where extra power could be sold and no harm done to others. We are attempting to influence Hydro somewhat. To what extent we have been able to, we will not know until next year.



**Mr. Taylor:** You are suggesting there is a greater marketing opportunity there if Hydro puts its mind to it?

**Mr. Cooke:** I think it is fair to go not quite that far but to say the board would certainly like Hydro to investigate it. We would like to consider it further.

**Mr. Taylor:** Getting back to deregulation, I guess there is an evil in everything. If there is an evil, it is the added burden that you have as a board in terms of accommodating the public sector and the private sector in becoming more involved in the industry. Presumably, there has to be some reward for your work. I am not talking about the expansion of your staff, a greater budget and all that.

**Mr. Butler:** I was hoping you were.

**Mr. Taylor:** That all comes anyway. I am thinking in terms of the marketplace and the impact on the marketplace of being more competitive and resulting in lower energy costs for the consumer.

**Mr. Butler:** There is absolutely no question that the reward is there. It has been said that the gas flowing into Ontario now is at lower rates. All sectors are feeling some benefit from it. The industrial sector is reaping a substantial benefit at present. The board's only concern is with the question of fairness and equity. Certainly, Ontario industry is saving, I believe, somewhere in the order of \$300 million; that has been bandied around as the total figure.

We hope that with further renegotiation, that can be improved even further. That assists Ontario industry in becoming more competitive in the marketplace. We still have some industry that wants more, and that will always be the case, but currently there are a lot of benefits. The rewards are adequate compensation for the extra hours needed to handle it all.

**Mr. Taylor:** Obviously, we do not have time today, but I would be interested in pursuing the problems with the carriers. I am thinking of it in terms of accommodating the Ontario market and not being accommodated by a carrier. In any event, it is an initiative I gather you are still pursuing, and we do not have time to explore that in any depth today.

16:50

**Mr. Butler:** We have recently completed the hearing for transportation, to determine whether long-term or permanent rates should be in place for contract carriage, for the local distributors to carry gas owned by others. Currently, there are interim rates in effect.

There are a number of problems with those rates and a number of problems yet to be sorted out with the local distributors to ensure that those in the core market, as we describe it—the residential and small customers who do not have alternative sources—are protected and will get the supplies, and that the industrial customers, who perhaps could pay more, will not seek or obtain a higher priority. We are dealing with many of these factors in this hearing and we hope the decision will be out early in the new year. It may change completely the way gas is sold and distributed.

**Mr. Taylor:** I am happy to hear that. As I say, we do not have time today to get into it.

My last question relates to the involvement of Hydro rates with these extracurricular activities. I am thinking now of the new business ventures corporation and the import of that on Ontario Hydro's contingent liabilities or the flow of profits or losses from those ventures. As I understand it, it is also involved in all kinds of other ventures that are not strictly related to the generation and distribution of electrical power. I appreciate any comment you have on that.

**Mr. Butler:** In each year, we look closely at the information we have received from Hydro on that subject, on all its extracurricular activities, if you like. The board is somewhat tied in the recommendations it can make or the changes it can suggest. Perhaps Mr. Cooke can add something to that, based on the last report.

**Mr. Cooke:** To the extent that the new business ventures program creates a surplus or deficiency in those revenue requirements, we would be looking at it to some extent, in that we look at matters that impact upon the revenue requirement. The program has been developing fairly rapidly over the past year or two. Some of our review to this point has been somewhat preliminary, since the scope of the program appears to be expanding and increasing. It is likely not possible to say much more than that. We do look at it.

**Mr. Chairman:** The clock has run out on these estimates. We must now pass the individual votes.

Votes 1701 to 1704, inclusive, agreed to.

**Mr. Chairman:** This completes consideration of the estimates of the Ministry of Energy. Shall I report them to the House? Agreed. That shall be done as close to January 12 as possible.

I would like to take this opportunity to thank the Ontario Energy Board, and I wish everyone here a very happy season.



On January 12, this committee will deal with Mines.  
the Ministry of Northern Development and The committee adjourned at 4:55 p.m.

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Taylor, J. A. (Prince Edward-Lennox PC)

**Witnesses:**

**From the Ministry of Energy:**

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Niitenberg, A., Executive Vice-President, Operations, Ontario Hydro  
Butler, J. C., Vice-Chairman, Ontario Energy Board  
Cooke, G. L., Director, Technical Operations, Ontario Energy Board







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# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

**Standing Committee on Resources Development**  
Estimates, Ministry of Northern Development and Mines



**Second Session, 33rd Parliament**  
Monday, January 12, 1987

Speaker: Honourable H. A. Edighoffer  
Clerk of the House: C. L. DesRosiers

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### STANDING COMMITTEE ON RESOURCES DEVELOPMENT

**Chairman:** Laughren, F. (Nickel Belt NDP)

**Vice-Chairman:** Reville, D. (Riverdale NDP)

Bernier, L. (Kenora PC)

Caplan, E. (Oriole L)

Cordiano, J. (Downsview L)

Epp, H. A. (Waterloo North L)

Gordon, J. K. (Sudbury PC)

Knight, D. S. (Halton-Burlington L)

McGuigan, J. F. (Kent-Elgin L)

Morin-Strom, K. (Sault Ste. Marie NDP)

Pierce, F. J. (Rainy River PC)

Smith, E. J. (London South L)

South, L. (Frontenac-Addington L)

Stevenson, K. R. (Durham-York PC)

Substitution:

Smith, D. W. (Lambton L) for Mr. Knight

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# LEGISLATIVE ASSEMBLY OF ONTARIO

## STANDING COMMITTEE ON RESOURCES DEVELOPMENT

**Monday, January 12, 1987**

The committee met at 3:37 p.m. in room 228.

ESTIMATES, MINISTRY OF  
NORTHERN DEVELOPMENT AND MINES

**Mr. Chairman:** The standing committee on resources development will come to order. We are here to debate the estimates of the Ministry of Northern Development and Mines.

First, I should remind members of the schedule of the committee that was agreed upon back in December. From January 12 through to January 23, on the regular meeting days, we will deal with this ministry. After that, we will deal with Bill 115, An Act to amend the Ontario Lottery Corporation Act. That is the week of January 26 to January 30.

From February 2, for two weeks, we deal with the Workers' Compensation Board. Some members may know the Minister of Labour (Mr. Wrye) is going to be out of commission for a couple of weeks, but he thinks he is going to be back by February 2, and it should not alter the date for the WCB hearings. We are very hopeful of that, because a lot of people have been put on notice that this is the schedule and it would not be very nice to change it.

From February 16 on, after the WCB has been completed, we will take a look at the reference made to this committee by the Legislature, which is to do with the whole question of plant closures and shutdowns, with particular reference to northern Ontario.

That is the schedule the committee agreed upon back in December. Obviously, we can change our minds as we go. Until that has been changed officially by the committee, I assume we will proceed with that agenda.

**Mr. Bernier:** I was led to believe the Ministry of Natural Resources estimates would be coming before this committee. Has that been changed?

**Mr. Chairman:** Yes. It is my understanding that Natural Resources is going to be debated in the standing committee on general government.

**Mr. Wildman:** I have a matter that relates to the schedule today and this week, if that is in order to raise right now.

**Mr. Chairman:** Go ahead.

**Mr. Wildman:** I understand the Premier (Mr. Peterson) has an engagement later today.

**Mr. Chairman:** Yes.

**Mr. Wildman:** I think we have until five o'clock. Is that correct? If that is correct, I was wondering if it would be in order to suggest some sort of time allocation among the three parties.

**Mr. Chairman:** Yes.

**Hon. Mr. Peterson:** If the member would rather I did not make a statement, I will just listen.

**Mr. Wildman:** No, no; I would like you to make a statement.

**Mr. Chairman:** The Premier appears to have a short statement; widely spaced, I can see.

**Hon. Mr. Peterson:** Oh, you looked. The chairman is peeking over my shoulder. Is that permissible?

**Mr. Chairman:** It is not often I can look over your shoulder.

If the Premier is finished by four o'clock, that will leave half an hour for each of the two critics. Is that appropriate?

**Hon. Mr. Peterson:** It is about fair. I get 20 minutes; the other guys get a half hour each. Is that the way you do it in committee?

**Mr. Wildman:** Okay. That is fine; whatever.

**Mr. Chairman:** Are there any further comments before we proceed?

**Mr. Pierce:** Do we have a timetable for a schedule beyond today?

**Mr. Chairman:** That is a very good question. This committee is scheduled to meet this afternoon, Wednesday afternoon and Thursday afternoon. I have received nothing from anyone, except rumblings, to indicate that the schedule is different from that.

**Mr. Pierce:** I have the same notice.

**Hon. Mr. Peterson:** When am I up next?

**Mr. Chairman:** Wednesday afternoon and Thursday afternoon.

**Hon. Mr. Peterson:** That is not right. I know on Thursday I have to be in North Bay and Kirkland Lake. Who is scheduling this? Nixon is away.

**Mr. Wildman:** Surely we can accommodate the Premier's schedule and reschedule meetings. If the Premier's schedule is such that he cannot be here, that is fine and we can reschedule.



**Mr. Chairman:** That is right; as long as the committee is given notice, but it is not fair to the committee if we do not know from day to day.

**Hon. Mr. Peterson:** You are absolutely right. I do not know what the schedule is. This thing came along quite suddenly and I had a lot of other things in my book. We tried to accommodate the committee and I am most anxious to do that. I will need to get advice from the senior members of this committee on how to run my portfolio. I am new at it.

**Mr. Chairman:** I am sure they will want to give you advice too. By the end of today, before you leave at five, would it be possible to have your staff give us an indication of when you are available? I am sure the committee does not want to leave this afternoon without having some indication of when we meet next.

**Hon. Mr. Peterson:** Vince, will you find out, please?

**Mr. Borg:** Yes.

**Mr. Chairman:** Let us assume that will be done. Mr. Premier, will you proceed with the leadoff for the Ministry of Northern Development and Mines.

**Hon. Mr. Peterson:** I just want to tell you this is exciting for me. This is the first time I have ever done this. It is the first time I have been a minister and I am delighted to do it. I have participated many times in the estimates procedure from the other end of the table, but I will take advantage of this situation to gain advice on what things we should be doing. When I was sitting in estimates I learned an enormous amount from people who were doing things in a number of areas. You find out on a micro level a number of the problems as well. If it is a new road or whatever, these things are very helpful because ultimately they come back to us for determination.

I welcome your advice on this portfolio, which in a way I ended up with by accident, and not exactly a happy accident, but I must say I have enjoyed it because I have had a personal interest in northern Ontario. As many of you know, I have been there a great deal as the leader of Her Majesty's loyal opposition and prior to that as well. There is hardly a place I have not been to at some point or other.

In less than 10 years sitting in the Legislature, I have gained a great deal of information from my colleagues from Algoma, Nickel Belt, Kenora and others as they have discussed the issues of the north. I recognize we are facing a special time right now. We have brought about a great deal of

activity in the last little while. I am certainly happy to debate the substance and efficacy of that activity, whether it was the right way to spend money, the wrong way to spend money, how it could be done better and what kind of problems we should be concentrating on.

I want to introduce everybody to George Tough, the deputy minister, whom most of you know. There are a lot of things I do not know—I am going to blame him—so please feel free to ask George any questions. You all know David Ramsay, who is now parliamentary assistant, and he will assist me along with the very able members of the staff. Would you pass the peanuts, please?

**Mr. Chairman:** You cannot talk and eat peanuts.

**Hon. Mr. Peterson:** I can so. Thank you. Why are you trying to hoard them on me? There are very able members of the staff here who—

**Mr. Bernier:** An excellent staff they are. I handpicked them myself.

**Mr. Chairman:** I do not think you are doing them any favour, Mr. Bernier.

**Hon. Mr. Peterson:** Anyway, I want you to feel free to involve all my colleagues and associates in the discussion. If you have any specific advice for them, give it to them. Give them hell if you want, because I think in many ways we have a strong, common interest in northern Ontario. We might disagree about the degrees, how much or when we should do these things or what we should do, but I am happy to share my view of some of the things we have done.

I would rather throw this whole thing away and not do it, but I will speak as long as you want me to and I can rag the puck for 20 minutes quite easily. I do not want the estimates procedure just to be a defence of all the money we have spent on this little dinky thing here or there. If you have better ideas, we want to hear them.

It seems to me the number one question, as one addresses the problems of northern Ontario, is the competitiveness of northern Ontario. Nickel hit \$1.55 yesterday on the London Metals Exchange. It is all through the entire industry. It is in the forestry industry. You know the assaults that are coming on there. There is no sense minimizing it. We and the resource-rich economies in the world have some very serious structural problems at the moment. There is nothing the matter with northern Ontario that nickel at three bucks a pound would not solve, getting rid of the tariff and a few other things in

the forestry industry would not hurt, or drop the dollar another 10 cents; all these things would help us, at least in the short term.

I think we have concentrated a lot of our public policies on some of those kinds of questions in the past, rather than building up the cushions or the buffers when the problems come along. I say to you as frankly as I can, it is tough to look ahead at those problems and see a lot of optimism. I cannot sit here and say nickel is going to go to two bucks a pound or \$2.50 a pound tomorrow. Neither can anybody else. I hope it does, but I cannot say it will. I cannot say the protectionism in the United States will diminish. I do not know what is going to happen.

That is why it seems to me the single most important issue we have to concentrate on is competitiveness. We can prop industries up. We can keep them going for a little while here and there. We can subsidize them and there is pressure to do that. Government has a role in northern Ontario and we are prepared to fulfil that role in a creative and productive way, but we cannot do it for ever. We know that. We are going to have to ask ourselves the number one question, "Are we competitive?" as we address all the aspects of it. Certainly, our preference is to put attention on increasing productivity, trying to assist companies, trying to sponsor new forms of entrepreneurship and look at building on the strengths we have.

I would love to see some secondary manufacturing in northern Ontario. I can tell you we are actively working on it. I would love to see someone leading the way. My friends are always suggesting they want to see a car parts plant in Sault Ste. Marie or Sudbury and I would love to see it. There is nobody who comes to us to whom that proposition is not put and advice and assistance offered in that regard, but it is easier said than done. We will continue to pursue that.

Looking ahead, I do not think we are going to see a great explosion in that area. We have to build on the strengths we have and take advantage of the entrepreneurial people we have. In a sense, that has been the direction of public policy. I am not prepared to write off the mining, resource or forestry industries. Those are the strengths of northern Ontario. We are working with them and I think the government is fairly close to most of them; I am and the ministry is. We have all been trying to keep them competitive, as well as working with the people who are there.

It is interesting in this whole softwood discussion that we had. This was very tough on

everyone, including the government on Ontario and the national government. It is interesting how closely we worked with both the industries and the unions in this regard. We are all standing up together on this issue.

I ate too many peanuts, Jack. May I have some water?

**Mr. Pierce:** It is not water from Hudson.

**Hon. Mr. Peterson:** Are you free yet, Leo? Are you free or are you going to the jug? Are you a free man now?

**Mr. Bernier:** Until February 12.

**Hon. Mr. Peterson:** I am going to tell Ken Keyes you are okay. You will be all right. You can come back here.

**Mr. Bernier:** The clerk said it was all right to come back.

**1550**

**Hon. Mr. Peterson:** You never know what kind of people you are associating with in this business.

As I said, we did work closely. One of the things that pleases me a lot is that when we travel in northern Ontario, the people there tell me they have seen a lot of cabinet ministers, a lot of people there who are consciously wrestling with the problems. They are people who have gone through lots of booms and busts, lots of cycles in the past—and we will see them in the future—who have exhibited, in my view, an enormous amount of grit, tenacity and determination.

We are trying to work on that entrepreneurial spirit, the resilience and the resourcefulness that the people have, building on the strengths that we have and also building in new things that are helpful, such as energy recovery plants and other things.

We have looked at the structural problems. As you know, we have done the Rosehart report and we have acted on a number of those things. You will be aware that we have created northern development councils to receive input into public policymaking. We have held a northern competitive conference that a number of you enjoyed very much, and I appreciate your complimentary remarks in that regard. It is easy to pooh-pooh those kinds of things and that is fair enough. You came and you had your moment in the sun. You said nasty things about it and left, and that is fair enough. However, the messages coming forward from that thing are fairly important and I think it was a constructive thing to do. We have to start providing a new kind of leadership that is dependent not on foreign-owned institutions but on the people who are there, with the govern-



ment's help and everyone else's help to build ways of dealing with some of these challenges.

I do not want this to look like a list of all the things we have done, but maybe I had better do some of that just so you know. We have created a \$100-million northern development fund. We have a new Ministry of Northern Development and Mines. We took it away from northern affairs to northern development because the emphasis is on development, not on affairs. I am trying to spur economic activity and we have seen that the budget—I cannot give you all those figures, but George can—has been increased substantially in terms of what has gone into northern Ontario in the last little while.

We have also undertaken, as you know, a massive decentralization program of the government. How many jobs have we moved north so far? Seven hundred have gone north at the present time. All those programs are moving apace. We believe they will stabilize the economies in those communities and take some of the cyclical swings out of the local economies. We think it is a constructive thing to do and we intend to do more of it. It is not an easy thing to do, it is an expensive thing to do, but we believe the benefits this great province has should be shared more evenly than they have been in the past.

In the mining area, we have created regional directors in Timmins and Kenora. We have a new mineral development lands branch. What the hell did we do with this, George? It is somewhere in Toronto.

**Mr. Tough:** Southern Ontario region.

**Hon. Mr. Peterson:** The southern Ontario region for that.

One of the things we are trying to do—I mentioned this in the House today in response to a question—we think part of our responsibility is to try to build a critical mass of expertise in some of those communities, such as Sudbury, which is a natural one. It has a fairly sophisticated infrastructure now, with the university, the science centre and lot of other facilities. As you know, an enormous amount of money has been put in there in health facilities, making a regional centre, and in the educational area, and there are more things coming in northern Ontario in that regard as well.

We want to form a critical mass of the best mining brains in the world. We want people to think of Sudbury and think, "Ah, the best mining school in the world and the brightest people gathered there." We think part of our future in this province is to build that centre of expertise

and we have already started that in the Sudbury area. You cannot create those out of the blue. You cannot just pull those out of the air and say, "Let us put it someplace that does not have the natural strengths." We think we have the natural strengths there and so far that has been well received.

We have increased exploration dramatically. As you know, we have increased the budget by \$4 million to a total of \$12 million. We have moved ahead on the geological surveys and the airborne magnetic survey programs and we are trying to get more activity up there. In addition, something I have been in favour of for a long time, as you know, is to try to get more junior capital into the mining business. All of us know what happened with Viola MacMillan some years ago. We commissioned the Thompson report and that is now in the hands of the Ontario Securities Commission. I hope we will be able to come to you in the not-too-distant future with new rules on the Toronto Stock Exchange to allow more entrepreneurial capital. I use this as an example, but it is interesting that Hemlo in our province was financed out of Vancouver because our rules were too tight to do that.

I am mindful we have a responsibility that people do not waste their money and all that kind of thing. It is not what you call widows' and orphans' investment. On the other hand, why should we not have our fair share of risk takers, people who want to put money into the business and gamble on our own province? I hope we can do that and build in the appropriate protections at the same time.

When are we going to hear from the OSC?

**Mr. Tough:** We now hear it will be some time in January.

**Hon. Mr. Peterson:** I told them by the end of the year and they did not do it, but we hope we will be able to do that this month. You can see we are concentrating on it. We changed the Mining Act and the mining tax. In the mining area we have a comprehensive program we hope will also stimulate activity, not just exploration, and bring development to the fore. I will leave that for a minute. I have only about 10 minutes left.

Let me go on to the forestry and crown land area. About 90 per cent of the land in this province is crown land? It is staggering, and it was a staggering fact to me as a southern kid when I first heard it. We have to ask ourselves, are we using that land appropriately in the interests of the people? In the old days, one would give a timber licence to one's friend or would give a mining licence to somebody. Are



we using that land to the benefit of the people? We have asked the northern development councils to look at how we use land as a development tool and for the benefit of the people in northern Ontario.

Should we be looking at, for example, longer-term tenure for tourist operators? One of the problems—I am just recently an expert on all this, Mr. Chairman, so if I am making mistakes, I know you will correct me—I gather a lot of these tourist operators were on very short leases, one-year leases, so they did not know whether to put in the money to upgrade, the capital and all that kind of stuff. We said that was kind of goofy; so we are giving them longer-term leases on the condition they upgrade the whole thing and improve their operations.

We are also looking at building more cottage lots, more developments on some of the lakes up there, and letting people take advantage and enjoy the great north. We want to develop land management policies that are more responsive to local needs.

We have put—again, it goes back to what we were discussing in the House today—\$4 million into the northern biology centre at Lakehead University. The same things we are trying to do with Sudbury in the mining area we want to do with Lakehead in forestry. We want people to think Thunder Bay has the best forestry people in the world. It is right in the centre of it, and we have the critical mass to do that. We have put \$1 million into a chair at Lakehead, and I gather we have some technology development units. I have no idea what they are. Anyway, it is on my list.

We are very mindful of the advice we have had on forest management procedures during the years and the discussions we have had in the House, and I have heard my colleagues talk about it a great deal. We got in Baskerville, and there have been changes in the ministry to bring in better programs and more reforestation. You will probably have advice for me on how to do that. We have created, I gather, 5,700 weeks of extra employment at an extra cost of \$3 million and we are serious about the reforestation business.

Tourism is an area in which there was the sense there was more we could have done. We have the northern Ontario tourism information centres enhancement program. We are spending \$15 million over five years. We are renovating existing centres, picnic sites and rest stops. Everybody laughed about all that, but I believe we have been singularly uncreative in this whole province about our signing and the way we sell our tourist sites and province to the vast majority

of tourists who come in on the roads. One of the first things I did when we had the opportunity to do something was to go to the transportation people and tell them to get decent, more creative signing policies. We are doing that in northern Ontario and we hope it will be helpful to the tourism industry.

We have made major investments in tourist areas. We have invested \$5 million for the waterfront in Sault Ste. Marie. We have invested in Searchmont Valley Resort as a destination resort. I recommend it to you highly. It will be officially opened this Friday by the minister. Bring your skis.

**1600**

**Mr. Pierce:** There is no snow.

**Hon. Mr. Peterson:** Is there any snow? I hear there is enough snow.

**Mr. Tough:** There is a little bit of snow in the Sault.

**Hon. Mr. Peterson:** Bud, is there enough snow at Searchmont to ski?

**Mr. Wildman:** Yes, there is, but it is not nearly as good as it normally is.

**Hon. Mr. Peterson:** Are you going to be there on Friday?

**Mr. Wildman:** Yes.

**Hon. Mr. Peterson:** Are you going to bring your skis?

**Mr. Wildman:** No, not since I broke my leg. I will be there enjoying the chalet.

**Hon. Mr. Peterson:** I will carry you on my back. You have been carrying me on your back for a year and a half. I owe you one.

Regarding small business, one of the programs that has had a good uptake in northern Ontario is the new ventures program, giving \$15,000 to new business wherever it is found to try to spawn entrepreneurs. We have good uptake in that regard. The Ministry of Industry, Trade and Technology has a new assistant deputy minister in Sault Ste. Marie, and it seems there are some results from his presence there. The northern Ontario regional development program has invested \$20 million in 500 projects and created 1,900 new jobs so far. There are a number of things happening in that regard.

We have opened a lot of skills development offices because the training of the people is the key to this. We are trying to have the same type of facilities in the north as we have had in the south historically.

You have lists of the types of things we have done in agriculture. I will not go into it all. We

have put new large veterinary services into the New Liskeard College of Agricultural Technology and other things we hope will keep agriculture viable.

I would love to see mega-solutions. I would love to see some great thing come in and hire 5,000 people, but it probably will not happen. We are going to have to look more at the mini-solutions. Two jobs in Nakina are as important as 2,000 in Toronto. We cannot lose that perspective. If we look at the hundreds of smaller local solutions, I think we will probably be better off in the long term.

We have made major investments in education as well, particularly in Thunder Bay and Sudbury. Twenty million dollars has gone into the distance education. We have maintained our commitment to Algoma University College in the Sault and we have provided special grants to the Haileybury School of Mines. We announced that we will have a high school of science and technology in northern Ontario, as well as helping with equipment of the schools there. Those announcements will be forthcoming in the not-too-distant future. We are determined to equalize service and catch up, after what we think are a number of years of the area running down.

Briefly, in the health area, you will all be familiar, particularly Jim Foulds, with the fact that the northern health transportation grants program is working well. The medical specialist program works, but it does not always work well enough. It is something we are always working on. We had the problem in Elliot Lake, and there are problems in other areas—getting the right specialist in the right place. It is a curious anomaly in this province that we have too many doctors in some places and not enough in other places. If anybody has any suggestions on how to get the type of people we need in northern Ontario, I am most anxious to hear his ideas, because we are working on it.

**Mr. Wildman:** They have some suggestions in British Columbia.

**Hon. Mr. Peterson:** We are not ready for that.

One of the first things I did when I went up there was to go to Kenora. Did we not launch a helicopter pad? I named that hunk of concrete after my friend Leo Bernier.

**Mr. Bernier:** That was the tail-end of one of our programs.

**Hon. Mr. Peterson:** Was it?

**Mr. Bernier:** Yes.

**Hon. Mr. Peterson:** Then it should have been named after you, Leo. You did it, and I had the fun of announcing it.

**Mr. Bernier:** That is right.

**Hon. Mr. Peterson:** We have worked on ambulance service and we have upgraded a number of hospitals and the Sudbury cancer centre. If you go across the north and if you have any other ideas that you gentlemen think are high priorities, please share them with me because I am most anxious to know the specific things.

We have done things in child care, groups for developmentally handicapped, seniors, home renovations and a number of other things. I could go into more detail, or at least more knowledgeable people could, about all the things we have done. I think a lot has been done, but in conclusion, I repeat that we are determined to try to decentralize the government and bring more stability. We have started, but we have more to go. It is expensive. There is no sense kidding anybody. I am told the old figures were \$40,000 and \$50,000. The new figures, particularly with highly technical jobs, are even substantially more than that, but it will bring stability and benefit over the long term.

You will have to bear with us. It is always hard on people here when they are asked to move. It is hard on people there when these things come into town. We are putting all these programs together. I cannot tell you there is a phenomenal yield one day over the next, but in the long term we have set a slightly different direction, which I hope will allow people to have the quality of life that they want in northern Ontario, and their kids will not have to run south to get an education or a job. That is my dream for northern Ontario.

**Mr. Bernier:** Can I make a comment?

**Mr. Chairman:** If Mr. Pierce will allow you to infringe on his time.

**Mr. Bernier:** It is a question. Things sound so good, according to your statement with respect to northern Ontario. How can they be so good here and so bad in northern Ontario? You have to come home with me.

**Hon. Mr. Peterson:** I did not say they are good. On the contrary, I would not be doing all this stuff if it were good. If it were good I would not be doing anything, but your point is well taken.

We have a curious anomaly in this province, where we have one of the most dynamic economies in the entire world here in Ontario and, frankly, it is essentially related to the automotive industry. That is why I take this



matter so very seriously, and it speaks to the essential vulnerability of our economy in southern Ontario as well. Fortunately, at the moment, we are generating enough wealth to help share some of that in northern Ontario.

Let us be fair. Many times in history, northern Ontario has disproportionately carried its share for southern Ontario, but we are darn near a crisis in terms of depressed commodity prices, in terms of competition, in terms of fierce international competition and protectionism in the United States as well. It is darn serious. Add all that together and we have a bag full of problems.

I have come to the conclusion, and we can discuss this over the course of the estimates, that we have to look at not only the old solutions but also new solutions. We are trying to be as creative as we can. We are trying to put our emphasis on people, trying to build on the local strength, trying to consult people about the best kinds of things for them.

I am sceptical, as they are, of made-in-Toronto solutions. That is why we have these conferences. That is why we try to get people together, form the development councils and chart courses together. But I am realistic about it. On the current trends, it is tough to be optimistic about next month. Let us not kid ourselves.

I am talking too much, but let me give one more example. In 1971, Inco had 19,000 hourly rated people. Today it has 5,000. Ask yourselves this question: did we know that was happening or did we not? I would say thoughtful people did, but most people do not want to confront that kind of a reality.

Name a politician who wants to stand up in the House and say: "You know, boys, we have 17,000 employed at an hourly rate at Inco, and guess what? Next year we are going to have 14,000." Who is going to discuss it? Who is going to deal with those questions? By definition, our process does not deal with bad news or with these changing realities; so everybody gets screamed at. It happens sort of piece by piece and we adapt to it.

What happened at Inco is happening to almost every other industry in northern Ontario. The grim reality is that technology, by definition, replaces people, and if they are not competitive, they are not going to survive. Therefore, we have to think of other things to pick up the pieces, using the advantages we have—our education and health care systems, our small business entrepreneur attempt, tourism and other business opportunities—and pursue them with great creativity.

I do not know. It is the hand we have been dealt. We have to do the best we can with it. I am determined to try to do it with your help.

**Mr. Chairman:** I think we had best move on or we will be cutting into the critics' time, which would be unfair.

**Mr. Pierce:** You should never pass the peanuts; you never get them back. Do you not know that? Once somebody starts eating peanuts, it is hard to turn them down.

**Mr. Chairman:** They were not his peanuts to start with.

1610

**Hon. Mr. Peterson:** We all eat out of the common pot. That is what I learned in China.

**Mr. Pierce:** Thank you, Mr. Chairman, minister and Premier. I am not sure how to address a minister/Premier. I will use both.

The people of northern Ontario recognize the thrust, the impact and the power the Ministry of Northern Development and Mines can have on the enhancement of the wellbeing of northern and northwestern Ontario. In almost every community there, they rely on the offices which have been established to allow people to go in and make inquiries about different items that may relate to them as individuals or items that relate to them for government assistance.

I am going to talk specifically about a couple of items. I am not sure how our time is going to work out here, but I am sure that if we run out of time today we will be back at the next meeting and can continue.

I will talk briefly about softwood lumber. On October 16, 1986, the United States won preliminary approval to impose a 15 per cent tariff on Canadian softwood lumber exported to the United States. The American movement had been under way actively for at least 18 months before that. The earliest official move by the Liberal government to offset the countervail for Ontario was to file a notice of objection with the United States free trade court in the week of November 17, 1986.

Previously, the Conservative Party of Ontario repeatedly had urged the Liberals to be imaginative and innovative in their approach to protecting Ontario's softwood lumber interest, but to no avail. The party repeatedly suggested that the Premier send a delegation representing the provincial government and members of the lumber industry to Washington to fight actively against the tariff as former Progressive Conservative Minister of Natural Resources Alan Pope successfully did in 1983. The Premier ignored



the pleas of the elected members of the Legislature and waited until it was too late.

Subsequent to the federal government's ruling to keep the approximately \$600 million surcharge money in our country, the Premier stated that Ontario's portion of that—approximately \$45 million by his calculations—could be used to retrain lumber workers. The question the lumber workers ask in northern Ontario is: "What do we retrain in? What industries are we capable of supplying our expertise to?"

Do you see the industry training these 500 unemployed lumber workers for in automotive factories or in computer science centres or in other areas? Will you guarantee that all the positions in the different ministries you plan on moving to the north are going to be held by people in northern Ontario? It is all well to move jobs, but if you are moving the people with the jobs, then you are not creating a lot of new work in northwestern Ontario.

**Hon. Mr. Peterson:** Most of them will not commute from Toronto.

**Mr. Pierce:** No, the people will move with the jobs.

**Hon. Mr. Peterson:** Some will and some will not.

**Mr. Pierce:** Does the Premier not recognize that without the lumber industry in northern Ontario, there will not in essence be a northern Ontario? We recognize that almost every community in northern and northwestern Ontario relies in some way on the lumber industry, whether it be in softwoods, hardwoods or wood products.

The Premier has displayed his lack of intuition, imagination, innovation and understanding for northern Ontario. Let me talk about economic diversity and development. Ministry estimates for 1986-87 state that the objective of the ministry is to increase employment opportunities by undertaking initiatives directed towards the stabilization, expansion and diversification of the economic base of northern communities. Particular emphasis is placed on encouraging activities in manufacturing and service.

How can the Premier conscientiously promote economic development for northern Ontario when he himself signed the authorization for a \$50,000 study to be given to an American firm from Florida to study the phosphate potential of northern Ontario?

**Hon. Mr. Peterson:** It was tendered.

**Mr. Pierce:** But they were not the lowest tender.

**Hon. Mr. Peterson:** Yes, they were.

**Mr. Pierce:** No. Maybe they were the best, but they were not the lowest. They were considered to be the best among some of them, but they were not the lowest tender. There were tenders which were of equal recognition as far as being in good stead to do the study.

**Hon. Mr. Peterson:** I remember that. There was an evaluation committee.

**Mr. Pierce:** The response can come later. Let me carry on so that we do not get caught up in a shooting match about what is better and what is good.

**Hon. Mr. Peterson:** I like shooting matches.

**Mr. Pierce:** I do not mind them either.

**Hon. Mr. Peterson:** There was an independent committee to evaluate all those things. It came to the conclusion that was the best deal.

**Mr. Pierce:** The contract was let to an American firm when we are promoting as much as possible the use of people in our own province and in Canada to provide the expertise and giving them the opportunity to perform those jobs for us. Yet, by some quirk of notation, we select a firm from Florida, even though it is not the lowest-tendered firm.

**Hon. Mr. Peterson:** It is the best.

**Mr. Pierce:** That is to be questioned also.

**Mr. Chairman:** Ignore the interjections from the peanut gallery.

**Mr. Pierce:** On top of that, the Premier contacted a southern Ontario firm, Coopers and Lybrand, to conduct a \$164,000 study outlining the problems of the north prior to his November 1986 two-day northern economic conference in Sault Ste. Marie. As the Premier knows, both Mr. Hennessy and I attended the conference. We were concerned about the approach Coopers and Lybrand took to the conference and the way it addressed it in its report.

**Hon. Mr. Peterson:** How so?

**Mr. Pierce:** I do not think Coopers and Lybrand did a very good job of researching the needs of northern Ontario. The people at that conference were prepared to spend money and to take time out of their businesses to attend the conference. However, they were looking for something that would give them a feeling that they could take back to their respective homes and say they had really got something out of the conference, that they felt good about it and they saw something happening for northern Ontario.

**Hon. Mr. Peterson:** We got a lot of complimentary letters after that. Did you not?

**Mr. Pierce:** Obviously, the same people were not writing to me.

**Hon. Mr. Peterson:** Did you get a lot of nasty ones?

**Mr. Pierce:** I got a lot of nasty remarks.

**Hon. Mr. Peterson:** About you personally?

**Mr. Pierce:** Not about me personally; I am sorry. If I had, I would have passed them on to you.

The Premier was quoted as telling the Toronto Star, "You could argue it was not that profound." Perhaps it could also be argued that the Premier's solutions for the north have not turned out to be that profound either.

How does the Premier explain that he has slashed the proposed expenditures for economic development for the north by more than \$3 million from the actual 1985-86 expenditures, which were only \$14.5 million to start with? In the Premier's five-point economic development plan for the north, he intends to spend only \$9.5 million. Based on a per annum salary of \$25,000, it will cost the government more than \$125 million to replace the incomes of the 5,000 unemployed lumber workers of the north.

Point 5 of the economic development program calls for a Heat Save North program intended to provide home owners in northern Ontario with personalized, objective energy conservation and conversion advice to promote energy conservation and to stimulate the local economy. Can the Premier provide the same sort of personalized, objective advice to northern communities as he did to the once vibrant, award-winning entrepreneurial energy conservation and conversion company, Eneroil Research, which his Ontario Energy Ventures Ltd. group flagrantly mismanaged and abused before tossing it to the creditors once there was nothing left?

Why does the Premier not take Eneroil's highly efficient furnace—now being actively sold by Ontario Energy Ventures, with a lifetime guarantee, even though no facility exists to service such a guarantee—and provide the people of the north with something they can actually use to their benefit, rather than saying, in essence, "Let them eat cake"?

Let us talk about northern transportation. The Conservative government of 1984-85 spent \$111.6 million on the northern transportation program. The new government slashed more than \$16 million from the program in its 1985-86 estimates. According to the 1986-87 estimates, the Premier now wants to cut another \$10.5 million from the program, which represents a \$26.5 million total decrease in revenue for the

program since the Liberals took over almost two years ago. Where has the \$26.5 million gone? Certainly not into roads.

**1620**

The ministry's stated objective for transportation development is to maintain and protect the public investment in the road system of northern Ontario. At \$26.5 million every two years, the public will not have any investment in the road system of northern Ontario in six short years.

Additionally, the Premier also intends to remove a further \$7.3 million from transportation development in the 1986-87 estimates. That means there will be \$7.3 million less for the northern Ontario resources transportation committee, resource access roads, priority roads, community airports and remote airports. How does the Premier intend to open up the north when he is taking away all the money for runway resurfacing, the installation of runway lighting and, I might add, cross-strips? I know that cross-strips are near and dear to the heart of the Premier, who was grounded in Atikokan for some time when the government airplane could not get off the strip because of wind conditions.

**Hon. Mr. Peterson:** I do not recall that.

**Mr. Pierce:** You do not? It happened. I have written you a number of letters on it. You responded to all the letters.

**Hon. Mr. Peterson:** You wrote me and told me I had to stay in Atikokan?

**Mr. Pierce:** Yes.

**Hon. Mr. Peterson:** Did I have a good time?

**Mr. Pierce:** You were not all that happy about sitting at the terminal, but you had a good time when you were in Atikokan.

At that time, you said to the gentleman who was driving you around, "If I am ever elected Premier, I will be damned sure there is cross-strip at this airport." Of course, that still has not happened.

**Hon. Mr. Peterson:** Frankly, I never knew what a cross-strip was.

**Mr. Pierce:** It allows you to take off in the direction against the wind. That does not happen at Atikokan.

How will the air ambulances get to their patients when there are no airports where they can safely land? I should add to this that what is happening in northern Ontario now, and I am sure in other areas of Ontario—and you commented in your remarks about the affordability and accessibility of the health care system—is that more and more hospitals in northern Ontario are



now issuing press releases and talking to the press, informing people that they are very rapidly becoming referral hospitals. They no longer have the services of surgeons or anaesthetists. For that reason, operations are no longer being performed in a number of northern communities where all the facilities are available but the people to perform the operations are no longer available.

We are becoming more and more dependent on the transportation networks in the system to get emergency cases out of our local communities and into the major centres where the expertise is available to perform the operations. Thus, it is becoming more and more of a problem to provide that accessibility and affordability to a number of the people in small communities. Again, how will the people of the north get their basic necessary medical attention from the south when they cannot even get to the proper institutions?

The Premier is allowing only \$140,000 to assist five community airports in the 1986-87 estimates. How can necessary construction or enlargement of municipal airports to accommodate expanded air service take place if no capital funding is provided to enable the communities to qualify under the community airport program of the Ministry of Transportation and Communications?

To continue with air service, the Premier is proposing a further cut of \$108,000 in the Ontario Northland Transportation Commission's budget. NorOntair expects to fly 95,000 passengers on the same number of flying hours as last year. The ministry expects that the operating subsidy will increase to \$5.4 million and the capital requirement will be reduced by \$50,000. Will he use some of the slashed \$26 million to reduce the air fares, increase the service and buy the additional Dash-8s to replace all the Twin Otters?

The ministry's stated objective behind providing rail and ferry services is to enhance the opportunity to invest—

**Hon. Mr. Peterson:** You think we should buy how many more Dash-8s?

**Mr. Pierce:** The Twin Otters should be replaced with Dash-8s.

**Hon. Mr. Peterson:** How many more?

**Mr. Pierce:** It requires six Twin Otters.

**Hon. Mr. Peterson:** So six new Dash-8s. What is the subsidy for every ride they take on NorOntair right now?

**Mr. Pierce:** I suppose if you want to compare the subsidy it cost to build Highway 400 to every

car that drives on it, then maybe you can compare the subsidies on air fares that are required by northerners to use the transportation method.

**Hon. Mr. Peterson:** I did not ask that question.

**Mr. Pierce:** No, I know. I am asking that question. One question deserves another. I am the one who gets to ask the questions here.

**Hon. Mr. Peterson:** Read the questions, Jack. Go ahead.

**Mr. Pierce:** The stated ministry objective behind providing rail and ferry services is to enhance the opportunity for industrial, tourist and commercial development and to reduce isolation. With increased fuel costs and no gas equalization policy in sight, how can you expect to meet your objectives when you are increasing the budget for rail and ferry services by only \$562,537?

**Mines and minerals:** The stated ministry goal in this area is to sustain a vigorous mineral industry in Ontario and maximize the economic benefits and the quality of life for Ontarians from utilization of the province's mineral resources. How will you meet these objectives when the Ministry of Agriculture and Food has already put out a guideline stating that "no aggregate producer may remove aggregate from beneath the water table in any area zoned agricultural," considering that 50 per cent of the aggregate production comes from beneath the water table?

In addition to putting the majority of aggregate producers in this province out of business, does the Premier not think it will prohibit the producers from accessing any of the aggregate reserves needed by the communities in which the pits are located?

In addition to this restriction, the Minister of Revenue (Mr. Nixon), through the government's Bill 131, An Act to amend the Assessment Act, currently before the standing committee on general government, wants to levy an unprecedented additional tax against aggregate producers by taxing all buildings and structures that are integrated with machinery and equipment in the manufacturing process.

How can you expect to sustain a vigorous mineral industry in Ontario when Bill 131 also calls for an additional business assessment equal to 60 per cent of the assessed value of the land used in obtaining minerals from the ground? How do you expect to maximize the economic benefits and the quality of life for Ontarians from utilization of the province's mineral resources when Bill 131 also appears to allow the Ontario Municipal Board to split-factor the property



taxes where the producers operate and still expect the producers to pay industrial tax and the 0.08 cents per ton levy for pit and quarry production?

Considering that Ontario ranks first in mineral production in Canada with 1985 mineral production worth \$4.5 billion, why is the Premier only allotting less than \$500,000 for program administration?

In the 1985-86 estimates, the minister asked for \$283,600 for administration of the program. He got what he asked for, then he underspent by \$55,000. What are you saving the money for?

**Hon. Mr. Peterson:** Are you against efficiency in government spending?

**Mr. Pierce:** No, I am all in favour of efficiency. I am asking what are you saving the money for? Where is the money going?

**Hon. Mr. Peterson:** Hospital care.

**Mr. Pierce:** Air ambulances?

**Hon. Mr. Peterson:** Sure.

**Mr. Pierce:** Dash-8s?

**Hon. Mr. Peterson:** We have Dash-8s right now.

**Mr. Pierce:** Salaries and wages for the program take up about \$304,100 of the \$471,700 estimated to run the administration of the program. Under the mineral resources section of the estimates, the Premier has listed that the minister asked for \$13.7 million in the 1985-86 estimates which he again received. Subsequently, the minister underspent by \$3 million. This only represents an actual expenditure of \$33,000 over the sum the previous government spent in 1984-85, which is a drop in the bucket compared to the cost of changing the name of the ministry twice, along with two major swearing-in ceremonies for our colleague who is not with us any more—no, he is still here.

In the 1986-87 estimates, the Premier is asking for only a \$193,100 increase over his authorized 1985-86 expenditure level which he did not spend on the people of Ontario anyway. Where is the remaining \$3 million from last year's authorization? Why has he asked for only a pittance of an increase this time around?

In your wisdom, do you not think the north needs more opportunity than this in order to help itself?

**1630**

In the mining and lands section of the estimates, the Premier has listed that of the \$11,989,200 his ministry not only requested but received for 1985-86, it again underspent—by \$2.5 million. I am sure, with the numerous

questions in the House and the many comments by members from northern Ontario, this is not for lack of areas to spend the money but for some reason it has not been spent. There are still many areas in northwestern Ontario that are underserved where that money could have been well spent. The underspending represents a miserly increase of only \$433,132 over the previous government in 1984-85.

In the 1986-87 estimates, the Premier now is asking for an increase of only \$588,700 over what was granted last time around, which he did not see fit to spend on the people of Ontario's north. Do you not think the Ontario mineral exploration program should have more than \$8 million to help promote improved competitiveness in the productivity of the mineral industry? Do you not agree that the money is urgently required now to provide incentives to the mining and lands program to offset international pressures and to promote higher employment in the besieged north?

In all seriousness, why is the Premier underspending authorized expenditure levels when we are supposed to be leading the country in the industry? When the mining industry is in a downswing, it is recognized that the demand is stronger on the mining industry to develop, promote and explore the north to locate minerals. What are you saving the money for? More specifically, where has the approximately \$5.5 million in unspent authorized expenditures gone?

That concludes my remarks with respect to the estimates of the Ministry of Northern Development and Mines. I am sure the Premier, who is the acting Minister of Northern Development and Mines, will be happy to engage in debate at a later date when we get into the nuts and bolts of the estimates and when he has had a chance to consider the points I made in my opening remarks.

If the Premier would like to make any comments, he knows that he is—

**Mr. Chairman:** Yes, he is entitled to do so. I assume you would prefer Mr. Wildman to make his comments before the Premier responds to the two leadoffs.

**Mr. Wildman:** I welcome the Premier and the former minister to the estimates. I appreciate the attempt to split the time so that we can all get on today.

In his opening remarks to the committee, the Premier talked about the strengths of the northern part of this province, which are referred to on page 3 of his prepared statement. He also talked about the structural weaknesses, partially in

response to my colleague the member for Kenora (Mr. Bernier). He also pointed to the task forces that have been appointed, the meetings that have been held and the reports that have been received as an indication that this government has a commitment to build on those strengths and to deal with the weaknesses in the north and as an indication that the government wants northern input.

I congratulate the Premier and his colleagues for their willingness to listen but I am disappointed that the government has not taken the initiative to provide proposed alternative solutions to which northerners could then respond and add, rather than simply going to the north and saying, "Okay, what do you think?" Northerners certainly have ideas and proposals, but they would also like to have some idea of the direction of the government.

The goal of the Ministry of Northern Development and Mines must be twofold: It must improve on the competitive position of northern Ontario in the provincial, national and international economies and it must close the gap between the quality of life that Ontarians who live in the north experience in relation to Ontarians who live in the south.

These two goals are incompatible only in the minds of people who see northern Ontario as a colonial possession of the multinational resource extraction corporations that operate in the north. In our view, many initiatives taken in pursuit of one will aid in the pursuit of the other. The first and most fundamental way to attain these goals is for the Ministry of Northern Development and Mines to take the lead in an overall planning strategy to bring economic stability to the economy of northern Ontario.

The Premier talked in general terms about the current situation in northern Ontario. It is important for us to realize that unemployment is by far the most pressing problem facing this province generally today, but it is magnified in northern Ontario. The unemployment rate in northern Ontario is about twice that of southern Ontario. Unlike the southern part of the province, northern Ontario has never recovered from the recession of the early 1980s, and in fact the recession is deepening and worsening across the north.

Five years ago, the unemployment rate in northern Ontario was on a par with the rest of the province at about eight per cent. That is too high but at least it was equal. In the past year, we have had announcements of layoff after layoff in community after community across northern

Ontario. Look at Sault Ste. Marie, Terrace Bay, Timmins, Kidd Creek or the lumber industry.

Today, the Treasurer (Mr. Nixon) almost echoes Brian Mulroney when he talks about the buoyancy of the economy of this province. Mr. Mulroney complains that Ontario enjoys a greater share of prosperity than the rest of the country, but Statistics Canada estimates that the unemployment rate in Sault Ste. Marie, in my area, is 15.5 per cent. The real unemployment rate is estimated to be more like 20 per cent. In my riding of Algoma alone, which has a relatively small population, 1,527 employable people are receiving welfare benefits. These are people whose unemployment insurance has run out.

The northern economy has unique problems. Among them are the ones that have been referred to by the Premier in his remarks and that have been raised in this Legislature and in other forums for many years. The boom-and-bust cycle of resource industries and the problems this presents to residents and municipalities in the north in the planning process is one. Another is the fact that the development decisions taken in the north are being taken by multinational resource extraction companies whose main motivation is the maximization of profit.

These lead to all sorts of problems such as resource depletion, the vulnerability of the north to world commodity prices, as the Premier mentioned, and the need for modernization with its attendant loss, also mentioned by the Premier. One thing that is often not recognized is that even communities that are expanding, such as Hemlo, experience serious growing pains and planning problems.

**Hon. Mr. Peterson:** You are right, but those are what I call the sweet ones.

**Mr. Wildman:** Yes, they are certainly a lot nicer than the downturn ones. The problem is that once you open a mine, you are beginning to close it; it is on its way to being closed. That is the same for Hemlo as for any other mining community.

We have difficulty in competing with Third World producers. All these problems have led to declining population rates, particularly of the youth population. We have increased unemployment and the loss of our youth, largely related to better educational and occupational opportunities in the south.

All these bring about social problems associated with the uncertainty of the future. Add to that the high cost of living, the high cost of doing business in northern Ontario related to transportation and communications being inadequate or



too expensive, the distance from markets and population centres and the sparse population and you have a picture of the economy and society of northern Ontario.

It has often been said here that there are two economies in Ontario, one in the north and another in the south. That has never been more true than today. In our view, the economy of northern Ontario requires fundamental changes if the north is to return to pre-eminence in national and international economies.

#### 1640

What is the response of the government and of this ministry? This week the Premier, as he indicated, will be experiencing the northern economy first hand by skiing downhill full tilt at Searchmont. I think that is symbolic. Searchmont was given a \$5-million loan by this government to assist it to operate, and we appreciate that. However, if this government could provide the financing for a ski lift that will take the Premier back up the hill after he has gone down, we believe it is the responsibility of the government to also provide a lift for the economy of the north.

Frankly, I am a little disappointed that the government does not seem to take the estimates of this ministry as seriously as it should, in that the government House leader apparently suggested last week that the estimates of the ministry could go ahead without the minister. Why not? I suppose the north has had to do without the active involvement of this government and previous governments in the past.

Both Mr. Pierce and I were members of the Rosehart committee appointed by the previous minister (Mr. Fontaine). We worked hard on that and we appreciated the opportunity to have input. That committee recommended decentralization of 5,000 government positions to the north, as the Premier mentioned in pages 6 and 8 of his prepared remarks. This massive—the word used by the Premier—transfer of jobs amounts to somewhere between 650 and 700 jobs.

The government even came up with a novel idea of moving the Ministry of Northern Development and Mines to the north. It is quite ironic that the government also moved the Ontario Lottery Corp. to the north, since trying to provide one's livelihood in the north under Tory and now Liberal governments has always been a real gamble.

The government's response to the other Rosehart recommendations has been even more dismal. The committee recommended a northern Ontario fund. The Premier in his speech, on page

5, and in his comments referred to the \$100-million fund proposed by his government. I should point out in passing that the announced layoffs by Algoma Steel Corp. will take approximately \$45 million per annum out of the payroll of that community, and yet he is talking about \$100 million over three to five years for all of northern Ontario. It really does not do it.

It has been said that \$15 billion worth of mineral and forest wealth flows out of northern Ontario every year. In our view, a small portion of that would be much more than this \$100 million which could be put into a permanent fund managed by northerners to give communities the financial resources to develop new industries and businesses.

The committee also recommended resource planning agreements with the companies having to provide guarantees to provide employment and training of local residents and to reinvest into northern communities before access to the resources was given. It would also give communities input.

It recommended a forestry institute, along with a mining machinery development foundation, which would develop machinery and processing techniques and research and development for northern Ontario. Those are referred to on pages 8 and 11 of the Premier's remarks. The assistance given to the universities in Thunder Bay and Sudbury is welcome but it is not what was intended by the Rosehart committee. Dr. Rosehart is probably very happy about the assistance that was given to his university, but I think he would agree it is not a forestry institute.

The committee also recommended a northern technology research and development institute. It recommended a medical school and health research institute which would encourage more health professionals to practise in the north and to do research and production in health care products and technologies in northern Ontario.

Since that report came out, the Premier indicated that he thought it would be just too expensive. Frankly, we need to conquer the view that because we as a community have a population about the same size as Saskatchewan, we somehow cannot support the same type of post-secondary educational institutions in northern Ontario as that province can support.

The committee also recommended the equalization of gasoline prices between northern and southern Ontario and specifically laid out proposals for doing that.

The committee also suggested there should be six months' notice of layoffs. In our view, there



can be no stability in northern communities if they do not have some idea of the future and of what companies that are operating in those communities intend to do. For instance, we must end the situation where Falconbridge can deny layoffs on one day and then hand 269 workers their notice on the next day.

The committee also recommended community adjustment funds. When a company closes down a community, it means a tremendous cut in a municipality's tax base at the very time it needs increased revenues to develop job opportunities. The member for Kenora (Mr. Bernier) will know what Stelco did with the Griffith mine closure, and that is one approach that should be looked at seriously as a way of dealing with the short-term problems that communities face.

**Hon. Mr. Peterson:** Are you going to give them tax advantages for another year?

**Mr. Wildman:** No; that was done and they stayed open for another year. But when they actually closed down, they provided \$2.4 million to the municipality, which was the equivalent of the taxes they would have paid if they had continued to operate for another three years, to assist the municipality in the adjustment period.

Interestingly enough, I asked Algoma Steel Corp. whether it would be interested in doing a similar thing in Wawa if and when it were to close there—and I hope it never happens—and Algoma seemed to be taken aback. They certainly did not say they would do it.

I hope the value to the government of the Rosehart committee was not in the public relations value of its appointment rather than in its findings. I am still awaiting the response to that committee's report.

Since its creation 10 years ago, the ministry, under a succession of ministers, has failed to provide any kind of leadership role, in my view. The current minister, the Premier, has promised northerners that things will not change, that the problems of the north are the problems of northerners, not of their government. I am referring to comments the Premier made at the Conference on Northern Competitiveness in Sault Ste. Marie. He opened this conference by saying, "We have to rely essentially and fundamentally on northerners to solve the problems."

As I said earlier, northerners have ideas, proposals and initiatives, but they need more than just saying it is up to northerners to pull themselves up by their bootstraps. After listening to northerners, including members of the Legislature, tell him and his ministers how to solve the problems of the north, or at least suggest

different approaches, the Premier reiterated his contention that the problems of the north are the problems of northerners and admitted, "There are hundreds, if not thousands, of mini-solutions beyond my comprehension." That is from the Sault Ste. Marie Star.

The Ministry of Northern Development and Mines is being led by the Premier, who calls on the north to provide the solutions, listens to those proposed solutions but says he does not understand and then predictably does not act on a single proposal.

The future of the development of the north must be based on the following principles: The benefits of northern development must accrue primarily to the inhabitants of the north; priority must be given to making northern Ontario less dependent on imports from the south, other provinces and the rest of the world; special assistance should be extended to locally owned businesses; meaningful input into planning decisions by northerners is essential; development primarily north of 50 must emphasize benefits to and the input of the native people; government must assume a direct, positive and aggressive role in northern development through comprehensive planning, crown corporations, joint ventures and planning agreements with the private sector.

The ultimate goal must be to counteract the vulnerability of single-industry towns by diversifying and stabilizing the economy of the north. Success depends on the willingness of the government to make significant interventions. Among those interventions are planning agreements. The government should move to stabilize the resource sector by ensuring planned development of renewable and nonrenewable resources through negotiated agreements with private sector companies.

#### 1650

Crown corporations should be established in each resource sector to obtain useful information to control the pace of development, to spur alternative development and stimulate secondary industry in such areas as forestry, mining machinery, equipment and furniture manufacturing.

There should be a community development program to decentralize decision-making by providing expertise to local communities to enable them to evaluate their own resource base and to investigate and pursue diversification plans. As I mentioned earlier, along with the recommendations of the Rosehart committee, we believe there should be an institute dealing

primarily with northern technology and research that could stimulate and develop technology suitable to the north and assist small businesses to have access to research and development.

As I mentioned earlier, we believe there should be a northern Ontario diversification fund to develop the economies and the amenities and services in the small communities of northern Ontario. Specifically, I would like to mention in passing the current situation at the Algoma Ore division of Algoma Steel's operation in Wawa. I understand the federal and provincial governments are going to be meeting with both companies, the Algoma Ore division of Algoma Steel and the Algoma Central Railway, this week to talk about the future of that community. I welcome the initiative of appointing an officer who will help the community of Wawa look forward to diversification in that community, perhaps the development of a pulp mill, a harbour, etc., proposals that are made locally and initiatives that are taken locally but where a small community needs assistance in developing those plans and bringing them to fruition.

**Hon. Mr. Peterson:** How do you feel about that Magpie River development?

**Mr. Wildman:** I really wish your colleague the Minister of the Environment (Mr. Bradley) would make his decision one way or the other. He has been sitting on his own advisory committee's report since September 23. If he had ordered a designation of that development back then, we would be well into the process by now. Yet, he still has not made a decision and I have made it very clear to Jim Bradley on many occasions that he has to make a decision.

**Hon. Mr. Peterson:** What is your advice and I will take it back to him?

**Mr. Wildman:** Frankly, at this point I have become so frustrated I do not care what he does as long as he does something. The fact is the development will provide a bridge for employment in the construction period. There are the aesthetics and effects on the tourist industry to be taken into account. That could be done through an assessment but the longer he takes to make a decision on whether or not to have an assessment, the longer it postpones the whole thing and may, in fact, jeopardize it. Now he argues that what the Acres study is doing will be used in the assessment. Great Lakes Power does not seem to be sure of that. In any case, the decision should be made as soon as possible.

Obviously, there has to be planning in order to bring about stable economic development. We must use the wealth generated in resource

extraction to diversify the economy and create jobs. This is not happening now and it has not happened in the past. Frankly, one of the ways this government could move in this area would be to adopt a resolution, passed without opposition by this House, that the government enter into resource planning agreements with resource companies and communities in which they operate. Such agreements could ensure the development of local resources which benefit local communities so that everyone involved knows what is going to happen when the resource is depleted. The government could also assist in the development of secondary manufacturing tied to the resource base.

One thing that has been demanded by my colleague the chairman for many years has been requiring Falconbridge in Sudbury and at Kidd Creek mines in Timmins to obey the law passed in 1917 requiring that they process their ore before shipping it out. That would produce a lot of jobs, not just in the long term but also in construction in the short term.

We believe that in order to diversify the economy of the north we should embark on an import replacement program in mining, forestry, pulp and paper machinery and equipment.

We have talked about the softwood lumber issue. I will not go into it at length here except to say a lot of jobs in northern Ontario are threatened by that agreement. I would like to know what this government is doing in terms of the General Agreement on Tariffs and Trade and where it sees its position in relation to the GATT now that the federal government has made this agreement with the Americans. Twenty towns in northern Ontario are single-industry, forestry-related towns.

**Hon. Mr. Peterson:** I am missing your point.

**Mr. Wildman:** If you are going to fight it in court—that is, if the government is prepared to take that approach—what effect does this agreement Canada now has with the United States have on our case? In making that agreement, we agreed we were subsidizing. What does that do to our case? How does this government view that situation and our case as a result? Because of time, I will not go into that at this point but will perhaps talk about that situation at another time during the estimates.

I want to mention one thing on forestry. The Premier mentioned the Baskerville audit. We welcome the work Professor Baskerville did on the ministry figures and the ministry's approach, but it certainly is not the audit we asked for, an



audit of the situation in the forests, the resources and the current situation.

With regard to decentralization of government, that can diversify the economy, but more important in my view is that it gives decision-makers knowledge of and a stake in northern Ontario because they are located in that area. We have to move a lot faster and a lot more comprehensively if we are going to respond to the Rosehart report in that regard.

**Hon. Mr. Peterson:** You are talking about 5,000 jobs?

**Mr. Wildman:** Yes. With regard to the conference, when the conference was called, a lot of people expected a lot from it. We did not expect it would be a publicity stunt. Whether it was intended to come up with proposals for competitiveness or, frankly, if it was intended as a publicity stunt, I think it failed in both ways.

**Hon. Mr. Peterson:** For you or for us?

**Mr. Wildman:** For us, I think it was a pretty good publicity stunt.

**Hon. Mr. Peterson:** I am happy to be of service to you guys.

**Mr. Wildman:** We did not have to hire any consultants, though, to come up with the publicity we got. I think the reliance of this government on consultants attests to the lack of insight into and knowledge of the north needed to respond to the problems of the north.

Frankly, the consultants who were picked could hardly be called experts on the north or its specific problems. They admitted not doing any original data collection. They ignored the importance of tourism completely, or at least it eluded them. They came up with only one solution to increase competitiveness: concessions by northern workers. They managed to upset a number of northerners with that kind of proposal but did not have anything else to offer.

The conference did come up with some proposals from northerners to increase competitiveness in the north. I referred earlier to gasoline prices. Frankly, the ingredient missing is a government with the fortitude to lead in the recovery, if the government could find the will to respond to the initiatives proposed. A number of them were mentioned, and I will just mention them briefly.

Services—roads and highways—were highlighted at that conference. During the most recent provincial election, the Liberal Party of Ontario estimated it would cost \$40 million a year for 10 years to bring Ontario's roads back to the 1977 standards. Yet spending on the roads in the north

last year increased by only five per cent, which is barely keeping up with inflation.

#### 1700

Suggestions were made about improvements to public works in the areas of sewage, water and waste management. In gasoline prices, which I have mentioned, this government spent eight months to find out what northerners have known for years: Gasoline prices in northern Ontario are higher than they are in southern Ontario. The study found that Ontarians in the north pay about \$130 more for gasoline than do southern motorists, and all the rest of the report does is try to justify the differences by elaborating on self-evident facts: longer distances between communities, a smaller market and less competition.

We know the prices are higher and we know why, but we do not know what this government is going to do to redress the inequity. The Premier mentioned in his talk the access to capital. That was raised at the conference as well.

**Mr. Chairman:** Mr. Wildman, excuse me for interrupting. I wonder if you could find a good time to break.

**Mr. Wildman:** Yes, Mr. Chairman, I am almost finished. I do not think the \$100 million responds to that need for capital and I think we have to have a greater commitment by the government.

In regard to education and research, again there was no suggestion at the conference that this government was going to move more than it has done for the two universities mentioned.

As to improvement of the quality of life, the Premier mentioned the medically necessary travel coverage which was implemented under the Ontario health insurance plan and which we welcomed as a first step. He also mentioned EldCap and the completion of the program started earlier. Those are only first steps.

The latest Provincial Auditor's report said, "The present procedure of limiting annual increases of individual health agencies to a fixed percentage of their prior year's approved budget has failed to adequately address existing funding inequity." That means northern communities which have been behind southern communities all along are going to continue that way. Second-rate funding of northern medical services has been allowed to happen for years and this government has done nothing to change that. There is a lack of psychological services and counselling across northern Ontario, particularly in the francophone community.

The occupational choices for both young and old would be increased if economic diversifica-



tion were to take place and if there were an emphasis on developing these kinds of educational opportunities for northerners. I would be interested in finding out what is happening with the proposed Northern Ontario high school of science and technology, the Dr. Bondar school. The decision on that has been postponed for some time.

I had some other comments I wanted to make with regard to mines, but I will put them off until we are dealing with that later. Perhaps then we will also have an opportunity to talk about the softwood lumber situation.

In conclusion, I believe, and I think everyone in this room will realize, we have a wealth of resources in northern Ontario. We have forestry, mineral resources, lakes, rivers and beautiful scenery that would be the envy of most countries of the world. Our greatest resource is the people of northern Ontario, who have ideas, initiative, energy and industry.

What has been missing for many years has been a government with the will actually to change the fundamental structures in northern Ontario, to make the northern economy competitive through planning and to improve services and the quality of life through making financial resources available to develop the educational and social services that we need in northern Ontario and that are taken for granted in most parts of the rest of the province.

So far, this government's response has been a willingness to listen and to try to learn, but in my view it has been ad hoc. They have set up task forces and studies, some of which have been very successful; others have just told us what we already knew. They have had conferences, and as I said, they have been listening, but I am not sure they have been hearing.

There has been no real attempt by this government to change the economy and the quality of life in northern Ontario, and I emphasize the word "change." I am looking forward to the discussion of these estimates and to dealing with those portions of my opening remarks I did not have time to deal with in the kind of detail I would have liked. I thank you for giving me the time, Mr. Chairman.

**Mr. Chairman:** Thank you, Mr. Wildman. As most members know, we have 16 hours allocated for this ministry.

**Hon. Mr. Peterson:** I think we should do more.

**Mr. Chairman:** We may have a new kind of Premier by the time we get through this process.

**Hon. Mr. Peterson:** I am enjoying this.

**Mr. Chairman:** Can we have a sense of the timetable for the minister? Mr. Borg, do you want to take a seat up here so we can hear you? Go ahead.

**Mr. Borg:** Our reservation was that you could cancel out on Wednesday, but I have been told that the deputy is prepared to follow the rest of the matters through the estimates.

**Mr. Tough:** Unfortunately, I am supposed to be with two of the northern development councils in northern Ontario.

**Interjection:** I guess the big issue there is that they are coming from different places.

**Mr. Chairman:** What are you saying?

**Mr. Pierce:** I suggest it looks as if we have screwed up the schedule for this week, if I can use those words, and it is going to be difficult at best to try to get this thing back on stream for the rest of the week. Can we look at starting to work into a schedule we are all going to be aware of, beginning next week, and put the whole thing together then?

**Mr. Chairman:** If the Premier cannot make it here on Wednesday or Thursday, I agree that is what we must do. Is that what it is shaking down to?

**Mr. Borg:** We have the same problems. We have appointments we could cancel.

**Mr. Chairman:** Are you talking about next week?

**Mr. Borg:** He will be out of town next Tuesday.

**Mr. Chairman:** That is what puzzles the committee, if I can speak for it.

**Mr. Pierce:** We do not meet on Tuesdays anyway.

**Mr. Chairman:** No. Monday or Wednesday—

**Mr. Pierce:** Mondays, Wednesdays and Thursdays are normally the committee's meeting days. I do not want to interrupt the chairman; I am sorry.

**Mr. Borg:** He will be out of town Thursday. Monday and Wednesday are—

**Mr. Chairman:** I think the committee wants to meet when the Premier is available and does not want to meet other times. That has been expressed quite clearly, certainly by members of the two opposition parties. So let us proceed. It is going to drag out the process, but I do not see what else we can do.

**Mr. Wildman:** We all understand the Premier has a heavy schedule, a heavier one than other members of the Legislature.

**Hon. Mr. Peterson:** What about meeting for four or five hours at night? Does that interest you?

**Mr. Bernier:** No way.

**Mr. Chairman:** Yes, it sure excites me. It is possible to do it, if that is what members of the committee want to do. Let us leave it for now. If the two critics want to get together and work out a different schedule—

**Mr. Bernier:** If we had a minister, he would be sitting here now. With the dual roles of the Premier, who does not want to appoint a northern Ontario minister—

**Hon. Mr. Peterson:** I think you have a pretty good minister right now—one of the best.

**Mr. Bernier:** I think it is unfair to northern Ontario. With all due respect, you should appoint a minister we can deal with, not a lame duck.

**Hon. Mr. Peterson:** We argued that when you had the chance.

**Mr. Bernier:** Being smart is not the answer, sir.

**Hon. Mr. Peterson:** I have certain priorities, and I make the decisions based on the those.

**Mr. Chairman:** We will adjourn now and meet again on Monday afternoon. Are there any other comments?

**Mr. Pierce:** Before we call an adjournment, I think there has been an indication that the Premier will be available on Monday and Wednesday of next week. Can we schedule Monday, Wednesday and Thursday of next week and plan on those days, so we can do something with our own schedules? Otherwise, we become the lame ducks. I can appreciate that the Premier has a busy schedule, but other members of the committee also have schedules to keep.

**Mr. Chairman:** I gather that Thursday is not good, Mr. Borg, but Monday and Wednesday are. We will definitely sit on Monday and Wednesday. If the two critics can think of anything creative, they can let the chair know.

**Mr. Pierce:** I also believe it is imperative that we have the Premier and Minister of Northern Development and Mines present for all the estimates. That is what the legislative process is all about.

**Mr. Chairman:** There is a consensus on that, Mr. Pierce.

The committee adjourned at 5:10 p.m.

## ERRATA

No.	Page	Should read:
R-9 to R-19	Inside cover	<b>STANDING COMMITTEE ON RESOURCES DEVELOPMENT</b>
		<b>CHAIRMAN:</b> Laughren, F. (Nickel Belt NDP)
		<b>VICE-CHAIRMAN:</b> Reville, D. (Riverdale NDP)
		Bernier, L. (Kenora PC)
		Caplan, E. (Oriole L)
		Gordon, J. K. (Sudbury PC)
		Knight, D. S. (Halton-Burlington L)
		McGuigan, J. F. (Kent-Elgin L)
		Morin-Strom, K. (Sault Ste. Marie NDP)
		Pierce, F. J. (Rainy River PC)
		South, L. (Frontenac-Addington L)
		Stevenson, K. R. (Durham-York PC)

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**SPEAKERS IN THIS ISSUE**

Bernier, L. (Kenora PC)

Laughren, F., Chairman (Nickel Belt NDP)

Pierce, F. J. (Rainy River PC)

Wildman, B. (Algoma NDP)

**Witnesses:****From the Ministry of Northern Development and Mines:**

Peterson, Hon. D. R., Premier and President of the Council, Minister of

Intergovernmental Affairs and Minister of Northern Development and Mines (London Centre L)

Tough, Deputy Minister

Borg, V., Executive Assistant to the Premier













No. R-21

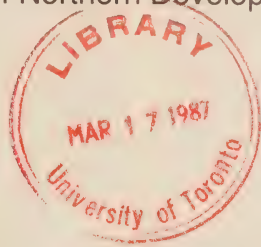
# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

#### **Standing Committee on Resources Development**

Estimates, Ministry of Northern Development and Mines



**Second Session, 33rd Parliament**

Wednesday, January 21, 1987

Speaker: Honourable H. A. Edighoffer

Clerk of the House: C. L. DesRosiers

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# LEGISLATIVE ASSEMBLY OF ONTARIO

## STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Wednesday, January 21, 1987

The committee met at 3:26 p.m. in room 151.  
After other business:

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### ESTIMATES, MINISTRY OF NORTHERN DEVELOPMENT AND MINES (continued)

**Mr. Chairman:** At our last session, Mr. Wildman was completing his remarks on his leadoff. Following that, I assume the critics will be looking for a response from the Premier (Mr. Peterson), who is also the Minister of Northern Development and Mines.

**Mr. Wildman:** As you recall, I said I had a couple of short comments to make with regard to the mining branch, which we did not have time for because of the constraints we were under. Today I will make those remarks and then conclude very quickly.

I would like further clarification from the Premier regarding what the Treasurer (Mr. Nixon) has described as a "gleam in his eye," or the trial balloon that was floated in the Toronto media regarding the possibility of the establishment of a northern Ontario fund along the lines of the Alberta Heritage Savings Trust Fund. That is something this party has advocated for some time. The Rosehart Advisory Committee on Resource Dependent Communities in Northern Ontario also recommended it. If the government moves in this area, I would like assurances that such a fund will be independent of political control in that it would be administered by and for northerners and northern communities.

**Hon. Mr. Peterson:** How would you do that, Mr. Wildman, with all the accountability in it?

**Mr. Wildman:** In a responsible government, the government is responsible for expenditures. In saying "independent," I am talking about independent in the allocation of funding from the political-large-p-process.

**Hon. Mr. Peterson:** It comes back to the political-large-p-process.

**Mr. Wildman:** When I say "large-p," I am referring to partisan politics.

The question of whether it becomes a pork barrel is something I am concerned about. I am sure the Premier would be concerned about it as well.

**Hon. Mr. Peterson:** I would argue that our northern development money has not been handled in a pork barrel way.

**Mr. Wildman:** I am not suggesting it would be.

**Hon. Mr. Peterson:** You raise a very profound point. I have thought a lot about this lately and I do not know the answer to it. You are right. It should not be a partisan thing hocked out at election time. If that is the point you are making, I can readily accept it.

**Mr. Wildman:** Yes.

**Hon. Mr. Peterson:** The question is how you do it. Suppose we have an independent development council do it. We appoint these guys, or someone appoints them, or they run.

**Mr. Wildman:** They would certainly have to be appointed for a period of time; not for life.

**Hon. Mr. Peterson:** If we wanted to, we could always appoint a bunch of Liberal hacks. By virtue of the fact that we appoint them, we have some control. Suppose they go out and invest tomorrow in some Exploracom. Ultimately, I have to stand up and answer in the House for it. I have not worked out a system. You tell me the perfect system to accomplish your ends and I will be very interested.

**Mr. Wildman:** I am not sure there is a perfect system. You should look very closely at the Nordlund Fond in Sweden and how it operates. It is independent. The Rosehart committee investigated it when we were in Sweden briefly last spring. It is at arm's length. The ultimate responsibility does return to the government, but you can have an arm's-length relationship where the day-to-day administration and decisions on allocation of funds do not go through the cabinet or the political process in that sense. I am not saying we can transfer the Swedish model to Ontario, but it would be useful to consider very carefully how theirs operates and whether that approach would be applicable in northern Ontario.

Since the Treasurer has indicated that in his mind it might be something along the lines of the Alberta heritage fund, what percentage of the government revenue from mining resources and from the forestry, pulp and paper and lumber resources would be allocated to such a fund? In



Alberta, 70 per cent of the revenues—they are down substantially—from oil and gas go into the heritage fund rather than into what we call the consolidated revenue fund in Ontario. To me, that sounds like a very interesting and logical amount and something that is not just pulled out of the hat. It is something we have had experience with in Canada.

**Hon. Mr. Peterson:** It is a different pricing structure. Are you advocating that all the money should be spent or banked, such as the heritage fund?

**Mr. Wildman:** That is something I asked the Treasurer about: whether it would be part of an ongoing strategy for northern development co-ordinated through with a planning process, as is the Nordlund Fond in Sweden, or whether it would be a rainy-day fund to be used for communities that are hard-pressed either because of shutdowns or slowdowns or because of very rapid expansion, such as in Hemlo, Manitouwadge and Marathon.

The Treasurer indicated the idea was one in which he had a great deal of interest but at this time it was a gleam in his eye. He also indicated that if it were a rainy-day tool, perhaps it should be an umbrella. I am not sure exactly what he meant by that, except perhaps that it would be all-encompassing. I would like some clarification about the government's view of this.

**Hon. Mr. Peterson:** Just before we carry on, Mr. Chairman, do you mind discussing that? Do you have—

**Mr. Wildman:** I do not mind. I do not see Mr. Pierce here today.

**Mr. Chairman:** He is in the House.

**Hon. Mr. Peterson:** It is clearly irresponsible not to be here.

**Mr. Wildman:** He may be in the debate on trucking regulations. Is he?

**Mr. Bernier:** He is in the select committee on health. He will be here in a few minutes.

**Hon. Mr. Peterson:** The other thing is that you have this independent group. There are two other problems. All this stuff has to be thought out ahead of time if, in fact, it goes ahead. Do not ask the Treasurer for clarification, because he has not thought it out. It is an idea. You asked him about the idea, and he said he was thinking about it. He gave you as honest a response as he possibly could. He was not coy about it.

**Mr. Wildman:** Except to call it an umbrella.

**Hon. Mr. Peterson:** The point is that it is being thought out. If you have any ideas, they

will be considered at this point. Either that or you can say nothing and then complain about whatever we do, if and when it happens.

**Mr. Wildman:** Oh, come on now. I have been very positive about this whole deal.

**Hon. Mr. Peterson:** I did not mean you. Generally speaking, you can take either response to it. However, let me tell you the problems. On that independent group, it can be running one way in government. Suppose that group comes to the conclusion that it is going to prop up certain communities and not other ones, or that it should be an umbrella as opposed to a job retraining fund, or that it should be capital investments as opposed to ongoing. That is a problem of using your finite dollars for maximum bang.

Your approach raises another very fundamental question that you and I, as politicians, have to be concerned about: that is, who runs this place. Every time a politician touches the fund, saying, "It should go here," the opposition—I do not mean just here; I mean in Ottawa as well—jumps up and says, "Political influence: politicians should not do that." On one hand, you are saying that politicians should take control of the system and not let the bureaucrats run the place; on the other hand, every time we make a decision, you—I do not mean you and I am not being personal—accuse us of all sorts of horrible and strange things, such as favouring our friends or giving them our wild rice and fishing licences or whatever the accusation is, on and on.

That is what happens. What do we do? There is so much pressure on the system that it forces politicians to run away from that type of decision-making, so you give it to some bureaucrat to favour his friends.

**Mr. Wildman:** But to be fair, the Nordlund Fond in Sweden is not a bureaucratic operation in the sense that a government bureaucracy is in charge of it rather than a politician. It is a board, certainly appointed by politicians, which is widely representative of the business labour sectors, both big business and small business, and which has its own bureaucracy, if you want to call it that, which is independent of the overall bureaucracy. It reports to the government on an annual basis about its activities and how it has administered the funds that have accumulated, how it has invested them. It is usually in small business enterprises and retraining programs. That is one model we might look at.

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**Hon. Mr. Peterson:** That is one of the reasons you need bureaucrats in this thing. We have so

much other stuff going on. There are hundreds of programs. I do not even know them all.

**Mr. Wildman:** It is the same thing in Sweden. We found that when we were there.

**Hon. Mr. Peterson:** They bump into each other and hardly use those moneys. Frankly, I am looking for advice on these things, and you have spent a lot of time thinking about them.

**Mr. Wildman:** I am happy to discuss it further with you at length, if you like.

I would like to mention a couple of other things with regard to mines. It is a little wider than the mining development itself. We have seen the Treasurer make two ad hoc grants, which are welcome, to assist Marathon and Manitouwadge. They are experiencing tremendous pressure because of the Hemlo development.

That is useful, but at the same time, it is a continuation of the approach that we have had for many years in northern Ontario. It does not respond to the proposals of the Association of Mining Municipalities of Ontario, which are to deal with the inequities that mining municipalities must endure.

We have seen municipalities that are adjacent to profitable mining operations that must provide services to the people who work in the mine, their families and those involved in the services to the mining sector. More often than not, the mine is located outside the municipal boundaries and, therefore, pays no municipal tax.

In the past, government has made special grants to those municipalities to help them. The mining municipalities have suggested that changes be made in their ability to assess and tax those facilities so that they can get revenue from profitable operations that will assist them to provide the services for the people who are working in those operations.

In those municipalities that are fortunate enough to have mines within their boundaries, we have the old problem, as we have seen in the Sudbury basin, Elliot Lake and elsewhere, that they cannot tax the underground facilities. They are sometimes given grants in lieu of taxes by the corporation, but these very seldom have any real relationship to the value of the facilities and the kind of taxes the company would probably have to pay to the municipality if it were on the surface. The government has to look at that and respond to the proposals of the mining municipalities in northern Ontario.

I will leave the rest until we get to the mining branch vote, but I would finish off by reading portions of a missive I received last week from a group of tourist outfitters in the Timiskaming

area. It is addressed, "To whom it may concern." I suspect it may have gone to all members of the House, but I am not certain of that. It lists a number of problems that we experience in northern Ontario and sums up the difficulties the government faces in dealing with the problems of the north and that we as legislators must deal with in order to respond to those problems:

"The price of gas cuts down the tourist trade and rips us off. People that have been coming to the north for years have decided not to come back or are thinking of not coming back. Their complaints are based on a number of problems.

"The lakes are almost fished out. Gas prices are high. Our designated wilderness areas have become the playground of the rich... Our government takes as much as they can from the north and gives us as little as possible back. I think the government feels that Ontario ends at North Bay... Our highways will still be like southern Ontario's secondary roads"—and further—"We will have to put up with the lack of equality we have now and remain Ontario's poor relatives or second-class citizens."

I will not read the whole of it because I want to be brief. Further down, it says: "If you wish to moose hunt, a computer in Toronto decides if you are going to receive an adult moose validation tag. People have gone three or more years waiting to be picked and that is not right." I admit that the Minister of Natural Resources (Mr. Kerrio) has indicated that there will be a review of the moose hunt process this spring and perhaps changes will be made.

Further on it says: "Soon we will end up with no fish, no forests, higher gasoline prices, poorer roads, poorer individual moose hunting and reduced tourist revenue. The government gives us a break on our licence plates, but after a few tanks of gas we are in the hole again. It is more of an insult than a break."

This group concludes: "In view of the above facts, may I suggest that a more comprehensive stocking of fish in our northern Ontario lakes and streams commence immediately. There must be a revamp of the moose licences giving fairness to all and some method of equalizing gas prices, particularly in the north, in order to assist tourism in this part of the province."

This came to me unsolicited. As I said, it was addressed to me from a tourist outfitter in Englehart, Ontario. Straight from the heart, it expresses the concerns and feelings of alienation of many people in northern Ontario and lays out a number of problems to which this government



should respond. I hope we can deal with some of them through these estimates.

**Mr. Chairman:** This would be an opportune time for the minister to respond to the opening remarks of Mr. Pierce and Mr. Wildman.

**Mr. Pierce:** Before we get to the response, can we set up the parameters of how we will conduct the estimates? I also apologize for being late. I wonder whether we can have some idea of the schedule we are looking at in respect of the schedule of the Premier and Minister of Northern Development and Mines for continuing the estimates of the ministry.

Perhaps I might comment that it would be my wish that we approach the estimates as they are presented and we leave enough time at the conclusion to vote on all the items as they are presented, rather than do them item by item and vote by vote. This would allow other members in northern Ontario and other members who are concerned about the items that are presented an opportunity to come in when they are available, rather than having to draw them out of other committees when we deal with a specific item on the agenda.

I leave these comments with you for discussion.

**Mr. Chairman:** I asked the Premier's staff to give us the schedule so we can have the same planning for our own schedules.

**Mr. Pierce:** That would be useful.

**Mr. Chairman:** I have just received it from Mr. Borg and it is very difficult. I do not know how we will do the estimates of the Ministry of Northern Development and Mines, given the schedule of the Premier.

**Mr. Pierce:** If the Premier were to respond positively to all our concerns, the estimates would not necessarily take 16 hours. I do not want to speak for the Premier. He is more than capable of speaking for himself.

**Mr. Chairman:** If we take the schedule that was just handed to me, between now and the scheduled or anticipated adjournment date of February 19, there are two days.

**Mr. Pierce:** Two days? Did I hear you correctly?

**Mr. Chairman:** Two days; February 9 and 10.

**Mr. Pierce:** The acoustics are not as bad as I thought. That is what I thought you said.

**Mr. Chairman:** I do not believe we as a committee can reschedule the Premier's time here, but I think some serious thinking needs to

be done about what happens. What this really means is that the committee members would sit and twiddle their thumbs collectively between now and adjournment time, and that is not acceptable.

1550

**Mr. Pierce:** I have listened as much as I possibly could in the past two years to the position of the government with respect to northern Ontario. I have also sat on other committees that have done estimates. I recognize that everybody's schedule is as tight as the next person's and some are a little bit tighter than others. However, I believe the people of northern Ontario deserve the opportunity to have their elected members question the Premier at length on the full content of the estimates. I would have a hard time accepting that we can get only two other days scheduled between now and the latter part of February to consider 16 hours of estimates that are vitally important to the people of northern Ontario.

With respect, Premier, the legislative process allows us this opportunity. It is probably our only opportunity to have you, or a minister representing any other ministry of the crown, captive to respond to the requests or concerns of the individual critics and the members who represent their constituents. This process is set up to allow us that opportunity and a little bit of shortchanging is being done if we do not have that opportunity.

**Hon. Mr. Peterson:** Before you get your shorts in a knot, Jack—

**Mr. Pierce:** My shorts are not in a knot.

**Hon. Mr. Peterson:** —why do we not sit at night? Why do we not come back at seven o'clock and sit till 11 or 12 o'clock at night? I will be very happy to do that and we can have that intimate conversation.

**Mr. Bernier:** To accommodate a part-time minister; I think it is very unfair you should even make that suggestion.

**Hon. Mr. Peterson:** Why?

**Mr. Bernier:** We have a full legislative day from eight o'clock in the morning until six o'clock at night. Those are the new rules of the House. This is an extension of the legislative—

**Hon. Mr. Peterson:** You are not prepared to meet at night.

**Mr. Bernier:** You will not be here anyway.

**Hon. Mr. Peterson:** I will be.

**Mr. Bernier:** There will be some reason you will not be here then either.



**Hon. Mr. Peterson:** We will set the date and we will meet at night.

**Mr. Bernier:** It is wrong.

**Mr. Chairman:** Mr. Wildman, do you have a suggestion?

**Mr. Bernier:** I suggest that is very selfish.

**Mr. Wildman:** I am not normally a member of this committee. I do not know what the committee has set as its parameters. Most legislative committees are loathe to meet beyond the normal legislative day, but I am flexible and I am willing to go along with whatever the committee decides to try to work out some *modus vivendi*.

**Mr. Chairman:** As the chair, I am willing to entertain a motion, although for historical reasons I would not personally impose or suggest evening sittings. If members of the committee want to put it in the form of a motion, it would be in order. That is the only way I would entertain such a schedule.

**Mr. Wildman:** Why does Mr. South not move a motion?

**Mr. Chairman:** Mr. South moves that the committee have evening sittings.

There is no seconder required. Do you wish to debate the motion put by Mr. South?

**Mr. Pierce:** Speaking to the motion—

**Mr. Chairman:** Before you do, the rules allow for a 20-minute adjournment.

**Mr. Pierce:** We will take that 20-minute adjournment.

**Mr. Chairman:** That is fine. Go ahead, Mr. Pierce.

**Mr. Pierce:** Speaking to the motion, I want to know what the Premier's schedule or anticipated schedule is if we agree to sitting beyond the normal six o'clock on the day of the estimates. For me to sit here and say I agree to the motion that we sit at night and then for somebody to come back and tell me the Premier's schedule does not give him time to sit at night does not do a thing for me. I want the Premier to present a schedule to me that indicates we have 16 hours between now and the middle of February to do the estimates of the Ministry of Northern Development and Mines, and it may require evening sittings.

**Mr. Wildman:** That is quite reasonable. Obviously, if we agree to this change in the schedule to accommodate the tight schedule that we recognize the Premier has with his various responsibilities, it would be helpful if we could have a commitment that the Premier would be

available for the estimates on certain dates—that is, Monday, Wednesday and Thursday—until the 16 hours are exhausted. If we do not have that kind of commitment, it would be silly to vote in favour of this motion.

**Mr. Bernier:** If I may add a few words of comment: as one who has been around this Legislature for a few years, I believe we, as private members, welcomed and applauded the government's reform with regard to legislative sittings; there is no question about that. Sitting Monday, Tuesday, Wednesday and Thursday with no night sessions is something that many of us in this room advocated for years. I applaud the Premier for bringing in those changes.

To accommodate one minister and break that rule will set a precedent for other committees to sit at night. There is no question that if we vote in favour of this motion, it will be hard to turn back the clock; it will be impossible to turn back the clock. We have made great strides in a modern society by dealing with the business of the public in a reasonable, fair and positive manner, working eight or 10 hours a day. To go beyond that is not fair or reasonable to the private member.

**Hon. Mr. Peterson:** I am a private member, too. I work 20 hours a day and I do not worry about it. I am sure you work hard too. This is just a personal accommodation. If you are not prepared to do it, we will find the time during the day to fit your schedule. You can make the point that we should have a Minister of Northern Development and Mines, a Minister of Intergovernmental Affairs and a lot of other things around here. We are running the government with very few members. If you want to go to an election to settle the matter, we can do that and then maybe we will have more.

**Mr. Bernier:** Let us go; I am ready.

**Hon. Mr. Peterson:** We are trying the best we can. This place still runs by ladies and gentlemen accommodating each other's needs and wishes.

**Mr. Bernier:** I agree with that.

**Hon. Mr. Peterson:** I need your indulgence. I am sure you respect the fact that I have other responsibilities. We are doing the best we can under the circumstances. We are fighting for hours to accommodate the times. It is not a question of shortchanging anybody; it is a question of giving you full time to make all the speeches and all the suggestions you want. I am anxious to do that.

I find that in my life I have to be very flexible. If that means working 20 hours, sitting at night or

being at certain places, then I just do it. I do what I have to do to get the job done. If that does not conform with you gentlemen and if you gentlemen are busy doing other things at night, then there is nothing I can do to persuade you. We will find the time as best we can and string it out a little longer.

**Mr. Wildman:** We have to get some answer to the question Mr. Pierce raised. For this committee to operate—it operates on an adversarial basis, but for any of us to have any kind of sensible life around here, we also have to operate in a co-operative way. If we can have an answer to the question Mr. Pierce raised regarding the availability of the Premier, it will make it easier for us to vote on this motion.

**Mr. Chairman:** The Premier's staff has just gone to check the dates of February 9 and 10 to see whether that will be an appropriate time to sit beyond the normal hours.

**Hon. Mr. Peterson:** I am looking at it right now. If I can be helpful, there is February 4; I will cancel something. I have other estimates to do as well that are piling up for the Premier's office, the Cabinet Office, the Lieutenant Governor's office and the Ministry of Intergovernmental Affairs. These are all things I have to carry. There is February 9 and 10. Those are some suggestions. If we can work all that out, I am anxious to give you the number of hours you require.

**Mr. Chairman:** I think what makes the committee a bit testy, and I have some sympathy for the members of the committee, is that the schedule of this committee was laid before the House leaders back in December so there should be no surprises as to what we are attempting to do.

**Mr. Lane:** I appreciate the Premier's offer to set a night to accommodate us.

**Hon. Mr. Peterson:** Or Friday.

**Mr. Lane:** The thing Mr. Bernier raises is very important. If we do it once, we have broken the House rules and the next time someone is pushed for time we will be here again. I personally cannot support that, even though I appreciate the offer.

**Mr. Wildman:** On a point of order, Mr. Chairman: Mr. Bernier's point is well taken and this does set a precedent, I suppose, but the impression is also being left that this has never been done before. We all know that since the House rules have changed, other committees have indeed sat beyond 6 p.m. I was on a committee that dealt with the Caplan affair and

we sat until midnight a few times. I did not enjoy it. In that case, I raised the argument that this would set a precedent and could affect other committees, but we wanted to get it done as quickly as possible and we ended up doing that.

It is a problem with respect to what all of us support as the new rules, but sometimes we have to make accommodations to be able to get anything done. It would be far more beneficial to our constituents if we were talking about the line-by-line votes and what was being done to stimulate growth and deal with the depression in northern Ontario rather than arguing about schedules and times.

**1600**

**Mr. Chairman:** After today, there will be roughly 12 hours of estimates remaining. The Premier has indicated January 29 and February 2. Is that what you are saying?

**Hon. Mr. Peterson:** At night.

**Mr. Chairman:** For estimates; and February 9 and 10 as well if that is necessary.

**Hon. Mr. Peterson:** So we have February 9 and 10 at night and February 4, 9 and 10 during the day.

**Mr. Wildman:** Can you go over that again?

**Mr. Chairman:** We are saying January 29. What hours?

**Hon. Mr. Peterson:** I do not know. Six o'clock?

**Mr. Chairman:** Evening only.

**Hon. Mr. Peterson:** Yes, I have other estimates, but I will come from there at six and sit down here with you until midnight.

**Mr. Pierce:** Can you give that again, Mr. Chairman?

**Mr. Chairman:** January 29. February 2 is available for how many hours? All day?

**Hon. Mr. Peterson:** From six—Monday, February 2.

**Mr. Chairman:** Not during the day?

**Hon. Mr. Peterson:** No, I have other estimates but I will come here at six o'clock and we will sit until midnight.

**Mr. Chairman:** That is the evening again. Then on February 4?

**Interjection:** No.

**Mr. Chairman:** February 9?

**Hon. Mr. Peterson:** Yes, I can do February 4. We will cancel that other one. We will do February 4 during the day.

**Mr. Wildman:** During the day.



**Mr. Chairman:** In the afternoon on February 4, a Wednesday. If we had three hours on January 29 and February 2 and two and a half hours on February 4, that would still be only eight and a half hours. We are looking for roughly another four after February 4.

**Mr. Pierce:** What did we do on February 2? That is in the evening.

**Mr. Chairman:** On February 2, we sit in the evening only.

**Mr. Pierce:** For how long?

**Mr. Chairman:** I have three hours down. Do you want four? That is long.

**Mr. Wildman:** We could sit for four hours; maybe. Frankly, I have some problems with this along the lines the chairman indicated. I sat in on a meeting of this committee when it set its proposed schedule. The House leaders were notified of this, were they not?

**Mr. Chairman:** They certainly were.

**Mr. Wildman:** Then why is this happening?

**Mr. Chairman:** All we are doing now is working out a possible schedule on which the members of the committee can vote. We are making no commitments. Is that understood? We could make January 29 and February 3 four hours, but it still does not give us the full 12 hours that will be required after today. We need another period of time after the afternoon of February 4. What about the evening of February 4?

**Mr. Ramsay:** We could go through to seven o'clock.

**Hon. Mr. Peterson:** I can do it during the day on February 4.

**Mr. Chairman:** Not during the evening?

**Hon. Mr. Peterson:** I can do it February 9 and 10 in the afternoons and evenings.

**Interjection:** On both days.

**Hon. Mr. Peterson:** Both days. Start at three and go right through. Since I do not want to inconvenience you, I will give you an extra hour. You could do it in 20 hours.

**Mr. Chairman:** No, thank you.

**Mr. Wildman:** I turn into a pumpkin at midnight.

**Mr. Chairman:** Are you with us?

**Mr. Pierce:** I am trying.

**Mr. Chairman:** If we did January 29 in the evening, February 2 in the evening, February 4 in the afternoon and February 9 in the afternoon and evening, I think we would have enough hours. Yes, that would be plenty. That is the proposed schedule. It causes severe problems in schedul-

ing anything else between all those things, but that would be a separate problem we would have to work out as a committee. Is there any further discussion? Mr. Pierce indicated he wished an adjournment before the vote, which he is entitled to.

**Mr. Pierce:** Yes.

**Mr. Chairman:** Are there any comments?

**Mr. Bernier:** It is an affront to everybody in northern Ontario that we have to do this. It really is, minister. It is really wrong. There is no question about accommodation. I think you are going just a little too far.

**Hon. Mr. Peterson:** I do not accept that.

**Mr. Bernier:** Your heavy hand of office is coming down on this committee. I have to tell you that and I think it is wrong.

**Hon. Mr. Peterson:** I completely reject that. If you are going to be partisan and small-minded about it, go ahead.

**Mr. Bernier:** I am not being that.

**Hon. Mr. Peterson:** You are.

**Mr. Bernier:** I am being fair with the rules of the House.

**Hon. Mr. Peterson:** I understand how busy you are at night, but I happen to be reasonably busy as well. I am trying to accommodate you. Take more hours. No one is offending anyone. If you want to turn it into a political event, go ahead.

**Mr. Wildman:** Let us be fair about this. I am not aware from the discussion that the other estimates for which the Premier is responsible are being shunted to the evening; it is the estimates of the Ministry of Northern Development and Mines that are being shunted to the evening. While I am prepared to consider accommodating what I admit and understand is the Premier's busy schedule, it is the estimates of the Ministry of Northern Development and Mines that are being shifted to the evening, not the Ministry of Intergovernmental Affairs, the Premier's office or any other ministries. I think that is perhaps an unfortunate indication of the priorities around here.

**Mr. Chairman:** I remind you that even if we took the time from the other estimates, there still would not be enough time to get the full hours for Northern Development and Mines.

If there is no further debate on Mr. South's motion, we will recess for 20 minutes, until 4:30, and then vote on the motion.

**Hon. Mr. Peterson:** Can we discuss other stuff while we are waiting for the motion so that we do not waste any time?



**Mr. Chairman:** No.

The committee recessed at 4:06 p.m.

1630

**Mr. Chairman:** The committee will reconvene. We have a list of the members who are entitled to vote. Perhaps we could go through the list of who is entitled to vote and then call the vote.

**Clerk of the Committee:** Mr. Bernier, Mr. Lane for Mr. Gordon, Mr. McGuigan, Mr. Morin-Strom, Mr. Offer, Mr. Pierce, Mr. Ramsay for Ms. Caplan, Mr. Reville, Mr. South, Mr. Stevenson and Mr. Laughren in the event of a tie.

**Mr. Chairman:** The motion has been reworded. Mr. South moves that subject to the approval of the House, the committee will meet to consider the estimates of the Ministry of Northern Development and Mines on the evenings of Thursday, January 29; Monday, February 2; and Monday, February 9.

Does everyone understand the motion?

**Mr. Bernier:** Is this subject to the approval of the House leaders?

**Mr. Chairman:** It is not that so much as it is that tomorrow a motion for approval to sit in the evenings would have to be put in the House by the government House leader if it passes.

**Mr. Reville:** I wanted to move that this be subject to the approval of the House leaders.

**Mr. Chairman:** It will be subject to the approval of the House.

**Mr. Wildman:** I am not a member of the committee, but I would like to suggest that perhaps the matter be tabled until the House leaders have discussed it and dealt with it.

**Mr. Offer:** I understand that it is within the authority of the committee to order its own affairs subject to approval, as opposed to the opposite way around. It is incumbent upon the committee to order its affairs and allow the House leaders to agree or not to agree on what it has approved.

**Mr. Chairman:** The committee has an option. If the motion passes, then the committee can simply go ahead and meet but inform the House leaders of its intentions. That would be one way of doing it.

**Mr. Pierce:** Then the House leaders have an opportunity to rule against it and say that the committee will not sit, and it will be dealt with that way.

**Mr. Chairman:** There would have to be a motion in the House for that to happen.

**Mr. Reville:** There is a long-standing tradition of committees ordering their own business. I do not want to put the House leaders in the position of telling a committee it should not do something. That is why I think it is more appropriate to table this motion, let the House leaders discuss the matter, and when we have the advice of the House leaders, the committee can take whatever decision it thinks appropriate.

**Mr. Chairman:** If the committee wishes, it can defer the matter to the three House leaders. There is nothing wrong with the committee deciding to do that. However, at the moment, we have a motion before the committee. If, as a consensus, the committee wants to do that, I have no objection. Failing that, we must deal with the motion before us.

**Mr. Wildman:** On a point of order, Mr. Chairman: Is it not in order to move to table?

**Mr. Chairman:** You could do that, yes.

**Mr. Wildman:** I understand that is what my colleague has attempted to do.

**Mr. Pierce:** Can we hear the motion again?

**Mr. Chairman:** I gather no one has moved a motion of tabling at this point. The motion reads as follows: "Subject to the approval of the House, the committee will meet to consider the estimates of the Ministry of Northern Development and Mines on the evenings of Thursday, January 29; Monday, February 2; and Monday, February 9." The motion contains in it that it is seeking the approval of the House.

**Mr. Reville:** Is it in order, then, to move to table that motion?

**Mr. Chairman:** I think a motion to table would be in order.

Mr. Reville moves that the motion before us be tabled.

Is there any comment on that?

**Hon. Mr. Peterson:** You just have to wait 20 minutes.

**Mr. Wildman:** We have everyone here. We do not have to wait 20 minutes.

**Mr. South:** I wish to have a vote on my motion.

**Mr. Chairman:** No. If it has been tabled, it would be like a notice of motion that this motion will come before the committee, but it is being deferred, in other words; it has been tabled for the time being. All right? That would allow the three House leaders to sit down to see whether some kind of amicable agreement can be reached over the hours of this committee and the Ministry of Northern Development and Mines.

All those in favour of Mr. Reville's motion please indicate.

All those opposed.

Motion agreed to.

**Mr. Chairman:** Presumably we will deal with this after the House leaders have been notified that the tabling motion has been passed in the committee. Is that agreed? Everybody understands?

**Hon. Mr. Peterson:** No. I have no idea what you are talking about.

**Mr. Chairman:** We are not going to make a decision today on whether we will sit evenings. Tomorrow is Thursday. The committee will meet tomorrow afternoon at its regular meeting time and make a determination. We would ask that the House leaders meet before then, because we will at that point make our decision. Is that fair? .

**Mr. Pierce:** Did you say we are meeting tomorrow for estimates?

**Mr. Chairman:** We will meet tomorrow afternoon after question period. It would be nice if we could proceed with the estimates at the same time, but I think the Premier is going to be away.

**Mr. McGuigan:** If we have heard from the House leaders tomorrow, we could lift the motion from tabling.

**Mr. Chairman:** Yes. Can we proceed?

**Mr. Wildman:** It is always fun to decide not to decide.

**Mr. Chairman:** Yes, that is right.

**Mr. Pierce:** Am I to understand that tomorrow's schedule is that the committee is meeting without the Premier, and it is not to be considered as allocated time against the estimates for the Ministry of Northern Development and Mines?

**Mr. Chairman:** Absolutely not. We will meet tomorrow as a committee to deal with the whole question of Mr. Pierce's motion. All this does is to allow the House leaders to sit down and discuss it.

**Mr. Pierce:** Just a correction: I do not believe the motion was mine; it is Mr. South's.

**Mr. Chairman:** Did I say "Mr. Pierce"?

**Mr. Pierce:** Yes.

**Mr. Chairman:** It is Mr. South. Sorry.

**Mr. Pierce:** We have the same colour hair, but we are not on the same side of the room.

**Mr. Chairman:** All right. Let us proceed, then, with the estimates of the Ministry of Northern Development and Mines. Mr. Wild-

man had completed his leadoff remarks, as had Mr. Pierce. The Premier is anxious to respond.

**Hon. Mr. Peterson:** Before I start, I apologize for any kerfuffle I have caused. I appreciate any accommodation we have reached. We will try to work this out tomorrow and give you all the available times to fit with your own schedule and do the best we can. I am anxious to go through the estimates. It is not an insult to anyone; it is not a question of not fulfilling our responsibilities. I recall that often we had to accommodate the schedule of Premier Davis when I was in opposition and we always respected the duties he had. He was not the Minister of Northern Affairs at the time, either. We will work with you as best we can.

**Mr. Bernier:** Can you speak a little more loudly?

**Hon. Mr. Peterson:** I said that we always used to accommodate the schedule of Premier Davis when we were in opposition, respecting the duties he had, and he was not carrying Northern Affairs at the same time. We are most anxious to co-operate, to expend all the time; and if we can work together on this, there is no reason to waste an hour in procedural wrangles. I must say I find it somewhat ironic that we are so anxious to discuss the issues and then we have to run away for 20 minutes before we can vote. We could have spent that time discussing the issues.

**Mr. Pierce:** If I may interrupt, in fairness to the Premier and Minister of Northern Development and Mines, I think the committee members have the right to know what the schedule is going to be. If that is the kind of process we have to go through to get into your schedule, then I am afraid, sir, that is not our problem; it becomes your problem. In fairness to all the members of the committee, it is unfortunate that we had to go through that to get to this point today.

1640

**Hon. Mr. Peterson:** Where are we? We are nowhere.

**Mr. Pierce:** At least we are back now to knowing that a schedule that we can put in our books is anticipated.

**Hon. Mr. Peterson:** We wasted an hour doing it.

**Mr. Pierce:** Yes, we have.

**Mr. Chairman:** Let us get on with it, then.

**Hon. Mr. Peterson:** Let me speak to some of the issues that have been raised. The softwood lumber issue that I talked about a little earlier, and I can talk about it a little more, is something



that is of great concern to us. It has been a major topic of discussion in this country. As I said before, who would have ever thought that softwood lumber would be the main topic in private conversation in areas that are not even directly affected by it? We are all affected by this in many ways.

It was the subject of an extremely difficult discussion with my peers and my colleagues at the first ministers' conference. It is not exactly fair to say it was nine to one—or 10 to one if you include the Prime Minister in the whole situation—but it was darn near that.

There has been a lot of discussion about whether an accommodation should be made. It was Ontario's view that it should not make an accommodation on the matter. It should not try to settle or give up anything. The decision made by the Department of Commerce was flawed and had very unfortunate precedents for other commodity groups as well.

Mr. Vander Zalm stood up and said—unbeknownst to us and followed immediately by Ms. Carney—that we should compromise, and he offered 10 per cent. That was the first or second out of several of the final offers that she made in the whole discussion. Ontario was not aware of that and was caught very much by surprise. Frankly, we were very upset about it, given the discussions that had gone on.

Then we were faced with a very difficult decision of whether to go along reluctantly, to carry the ball on that issue. It was held out to us that a deal could be made. We did not like it at all. That fell apart and we went back. We had the assurance of the federal government and others that we were going to fight the matter through. That was the final deal. Then she changed her mind again and decided to go for the termination agreement.

In the meantime, there had been a lot of pressure from British Columbia to have what it called a suspension agreement. It is fairly complicated. I am sure Mr. Bernier understands all this, having gone through it on other occasions, but I am sure he will agree with me that it is an extremely complicated and highly political process. It requires a number of stages along the way.

We were dead set against a suspension agreement, because what it really does is have you call off the suit; but they have a hammer over your head and they can bring that back at any time they want. They really have constant control over what you are doing. The federal government agreed with us on that. George, help me out if I

am wrong, but British Columbia was particularly in favour of the suspension agreement, and the others were more or less neutral.

Then they came up with this idea of the termination agreement, which is a different thing. It is almost like an agreement out of court where they pull back the suit but we give them what they want. It is like settling out of court for what they want. They want the 15 per cent.

This came in the middle of the first ministers' conference in November in Vancouver. I recall it very well. The item was not even on the agenda, but it dominated the entire conference, over many other things.

**Mr. Wildman:** Pat Carney just thought she had won.

**Hon. Mr. Peterson:** That is right. When she flew in, she was very tired. She had flown across a couple of time zones, and she flew in and gathered everybody together. Frankly, I did not then, nor do I now, understand the hurry or the pressure. I said, "We do not have to do this today." I guess they felt some compulsion to have a victory or something. This was in November. I think it was November 25 or November 26, somewhere in that time frame. This did not have to be done then anyway, as we knew. It was a very supercharged atmosphere, as I am sure you can imagine.

Frankly, it is not fun sitting there as the only one saying we do not think it is in the national interest. She said she had a deal. She said she had worked it out with Baldrige. She had been on the phone. They declared they had a deal, and nobody knew what the deal was. Within hours, the United States lumber industry was saying: "We are not on side. We do not go for this." Because this is not a government-to-government deal, it is an industry-to-industry deal as members know.

There are so many things that were not agreed on and still are not worked out at this point. There have been many meetings subsequent to that. The question is how stumpage would substitute for the excise tax and the allocation of that, whether the provinces will go for an export tax. Alberta, particularly, feels very vehemently that an export tax is not the right way to proceed. That goes back to the historic fights Mr. Lougheed had with Mr. Trudeau over export taxes on petroleum products.

That is not worked out, and there are still the questions of whether the US could deliver the US industry, what it would go for; and the big issue, which is the sovereignty issue. The first question I asked the Prime Minister, as I have said to you



before, when he said he wanted to organize this, was, "Who gets the money?" I wanted to make very clear that the money would come back to the provinces. It is still unclear what we can do with the money.

Assuming the Ontario market holds up, that will raise between \$35 million and \$45 million worth of revenue we would not otherwise have had in Ontario. That is not insignificant and is something, obviously, we would want to deploy in northern Ontario, either to build other opportunities or to spend back in the forestry industry. The question to which we do not know the answer is how we can spend it back in the forestry industry. Can we grow trees with it? Perhaps we can. Can we modernize a mill with it? Can we put it into pollution equipment at Kimberly-Clark or any other mill that has a problem? I just use Kimberly-Clark as a specific example.

That is not clear at the moment, and it appears these matters are subject to negotiation with the US. That goes right to the root of the sovereignty issue which is so worrisome to the government of Ontario. If I am not wrong—I do not want to speak for you—it is shared by all parties in the House. I hope I had your approval when I was speaking on these matters.

It is still not done. There have been meetings. The minister and deputies were in Vancouver last week discussing this with their peers. There have been various noises from Quebec and Alberta about some of their concerns. There is also the concern about so-called dumping across provincial borders. As you know, even though Ontario was hit, our stumpage—correct me if I am wrong—is not the highest in the country. It is among the highest, but I think New Brunswick is a little higher.

**Mr. Wildman:** New Brunswick is higher.

**Hon. Mr. Peterson:** They moved before we did. They were not named in the suit, but they are worried.

**Mr. Wildman:** They are caught by it.

**Hon. Mr. Peterson:** There is some question on that. They do not think they are, but other people think they are. That is a fair point. I do not think they think they are because they were not named, but there is the question of whether they have been dragged into the subsequent agreement. That is another of the great unanswered questions.

New Brunswick is very worried. If this happens, its softwood market will be flooded with stuff from Quebec. Some of the other provinces are worried that they are going to lose

their markets. Our stumpage is about three times the stumpage of British Columbia. It was essentially British Columbia's stumpage that invited the problem, because it had the biggest share of the market as well. In a way, we suffered for that. You can argue in retrospect they should have known about this, but they forced us into a national problem.

The other part of this thing that is worrisome or is an interesting precedent—it may not be worrisome—is that one of the rationales for the federal policy was that the province that has the major stake gets the say. It is interesting. If that is true, we may have to use that precedent, remind them of that precedent in the future, if things such as the auto pact and other things are thrown into the trade discussions.

To the best of my knowledge, that is where we are at the moment. I believe we have had 450 layoffs in Ontario. Help me out. Does anybody know? In the range of 500. Some of those could be directly attributable to the tax, but probably not all; some are marginal. It is a judgement call on some of them, which were marginal anyway.

**Mr. Wildman:** Some of them were related to attempts to avoid the tax by shipping as much as possible before it was imposed. There is a high inventory on the American side of the border.

**Hon. Mr. Peterson:** It may be the cover for other things that are going on, so it may not be a truly accurate picture. We do not know how much is going to be absorbed in the future. I am told that the US industry has adjusted its prices and has moved its prices up. A lot of it depends on the housing industry. Capitalists do find their own level pretty fast. They find ways to maximize whatever situation they are faced with. Some of the mills may have been closed down because they were looking for an excuse to close down. Some of them were marginal, and they could blame it on this.

## 1650

Our concern, really, is the jobs, and how it will all shake out. Again, we do not know what we can do for those people or for those mills. We are certainly prepared to help; they know that, and the discussions are ongoing. If you have advice for me on this issue or on how we should address it with those particular mills, what will be the concern—we had some discussion in the House today about the pulp business.

There are two schools of thought on whether other parts of the wood industry could be hit on a countervail. There are some people who are very skittery; every time they turn around they see another countervail suit on lead, zinc, uranium,

electrical power, God knows what. There is not a commodity group about which I have not heard a rumour that it is going to be hit somehow or other.

I cannot prove any of that; some think the wood industry is going to be hit in different forms. Others would argue that such a very high percentage of the newsprint industry, for example, is owned by opinion-makers in the US that we will not get hit. On the other hand, you have to ask yourself if the things we do that seem to be provocative invite this kind of thing. It is a very delicate set of discussions at the moment that has not played out completely.

Do you want to do this issue by issue? If you have advice for me on this issue or thoughts you think I should pursue; and then I can go down and discuss some of the other issues. Mr. Chairman, what do you think? Do you want to do it issue by issue?

**Mr. Chairman:** I think it is up to the critics. Do you want the Premier to go through each of the issues you raised? What do you want?

**Mr. Wildman:** It might be easier that way.

**Mr. Pierce:** Given the schedule we are operating under, if the Premier would like to invite comments on his comments at the time, I think it is worth while to do that. At the outset, I asked that we table the votes until the conclusion of the estimates and vote on them all at the same time. That is the direction we are moving in; whether it is the opinion of the committee—

**Mr. Chairman:** If the committee wants to deal with the estimates all in one block, we could do that; if there was either a consensus of the committee or a vote, which I hope it would not require. Otherwise, we would go vote by vote. Right now, we are on what is considered the first vote. Until the Premier has gone through his responses to the leadoffs we are still on the first vote.

**Mr. Wildman:** As I understand it, in the process we are in with the Premier responding, we have not as yet even specifically got into the line-by-line votes of 2401 on the main office, have we?

**Mr. Chairman:** If you want friendly advice from the chair, it would be to let the Premier go through and respond, because we do not know when you are going to get him again.

**Mr. Wildman:** I agree with that.

**Mr. Pierce:** I accept that friendly advice from the chair; I know it comes in a friendly tone. The Premier is really responding to the opening remarks of the first day. In fairness to the

chairman, we should do that and then come back to the issues one by one as we see them.

**Hon. Mr. Peterson:** I am easy; I just want to have a good discussion on the issues, because there are some big issues outstanding. I suspect we probably have more in common on them than that which is going to divide us. I respect that; there are various ways to order estimates, whatever your comfort level is on that.

**Mr. Pierce:** I am sure we can talk among ourselves for the rest of today about the softwood lumber issue and offer and receive some suggestions and some direction on where the government wants to go with the issue. We should carry on with the responses, as the chairman has indicated.

**Hon. Mr. Peterson:** I may know some things that are going on, some of the meetings that are going on, that you do not, which I can share with you. There has been an awful lot of backroom stuff going on. It has taken a tremendous amount of political energy at all levels. I am going to Washington on Sunday and I will be discussing it with people there.

Let us talk about northern relocations for a moment. We have moved more than a thousand jobs now.

**Mr. Pierce:** Premier, could you speak closer to the microphone? It is difficult to hear you at times, particularly when there is some movement in the room.

**Hon. Mr. Peterson:** On the northern relocations, it is our view that one of the things we can do to stabilize the payroll and the economy in a number of the northern communities is to move jobs. There is nothing new about this. It has been heard a million times before, most recently in the Rosehart committee. However, the reality is that, by most people's standards, not enough was done and the political will was not there to make it happen.

Let me tell you, all you guys know that it takes a lot of political will to make this happen, because there is an enormous amount of resistance when one does this, and understandably. If you were working in the bureaucracy here and you were all settled in, your kids were on hockey teams and taking ballet lessons, your mortgage was almost paid off and your spouse was just nicely located in his or her job and they said, "You are going to X tomorrow," it would not excite you very much. I do not care what happens. I understand those things.

The Ontario Public Service Employees Union has been remarkably understanding. People are



not going to lose their jobs over it. Mr. Pierce asked me how many people would move into northern jobs. The first offer will go to the existing people, but experience tells us that probably only 30 per cent of those will move. Experience tells us—and if I am wrong by 10 points, please be understanding—that 60 to 70 per cent of those jobs will be filled by northerners, i.e., people who live there now. That is the best advice we have, which is fairly substantial.

The move to North Bay last week will bring \$10 million into the payroll of North Bay. North Bay is probably the most diversified of all the northern communities. It has fewer problems, and it seemed like a good thing to do.

The other problem with this thing is, honest to God, you go there, you announce it and the guy in the next town is mad: "Why did you not bring it here? Where is ours?"

**Mr. Pierce:** You have heard that too, have you?

**Hon. Mr. Peterson:** Whatever we do. It is unbelievable.

**Mr. Pierce:** I thought I was the only one who heard it.

**Hon. Mr. Peterson:** This was the only surprise we have ever had in store. Nobody knew about it. It was the only thing I have ever announced in my whole life that nobody knew about. That, in itself, was a major accomplishment for the ministry. A lady came up to me in North Bay and asked, "Why are you not doing more for the mining industry in North Bay?" She thought we should have moved the school of mines to North Bay or something. I am just saying that is one of the realities of the situation.

We are trying to be as evenhanded as we can be. We are trying to get the best match and best fit that we can. Granted, there are a lot of judgement calls in the situation. Let us take the Sault for example, which is a community with a great many worries today. There are lots of problems that are not going to be solved easily.

The move for the Ontario Lottery Corp. is not just for those jobs; it does something beyond that. It brings a level of expertise, particularly in computer work, that is second to none in the country, even the world. We are going to have some world-class people there. In other words, when you get that critical mass of brains, other things happen—the services.

At first flush, you might ask, "Why is the Ontario Lottery Corp. in Sault Ste. Marie?" And at first flush I might say: "God, I do not know. It seemed a good thing to do at the time." However, it brings tremendous spinoff benefits with it. It

stabilizes the economy, changes the complexion of the population and brings new skills to the town. It has a very salutary effect on real estate. You should have seen all the ex-QCs salivating in North Bay when we made the announcement. They just saw the real estate jump by 10 per cent.

These things do have a big effect. I have not done the calculation, but when you put 325 jobs into North Bay, that is like 50,000 into Toronto. I do not know what it would be, but something like that. It is important and I believe in it. It is expensive in the short term, although it pays in the long term and we are going to do more of it.

It is very hard to find the right agency, one you can sever off, that the community can handle and that has proper communications, but all things go with that: computer terminals, travelling, communications, all the stuff that really brings a big advantage to the community.

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That is in addition to other things we have tried to do, for example, in Sudbury to bring special expertise to the mining areas. For years, did they not test the wire rope in some room in the bottom of the Whitney Block? It always struck me as a little weird. We are trying to put those people together, in conjunction with the university, and they have been very co-operative and building on that strength there. The private sector has been very helpful as well. As I have said before, when people around the world think of Sudbury, we want them to think of the best mining in the world, the best experts. There has been remarkable co-operation from the ministries in that regard.

The same thing is true with Thunder Bay and the forestry industry. Those are naturals to start building on. We do not build that critical mass in one day. It takes a long-term plan and an awful lot of dedication. Ultimately, it depends on the quality of the people prepared to do those things.

It is coming. We appreciate your support on the disruptions that we inevitably have when these things happen, but to the best of my knowledge at the moment, they are all proceeding apace. We are not fooling around. These are not announcements of what is going to happen in 1998; we expect these to be up and running, most of them, by 1989, in that time range. It is sooner rather than later. The contracts have been let, we have found the location, architects and all that stuff and are going on the thing.

We have just moved into the big centres. There is still a problem. What do you do for Kirkland Lake? What do you do for the secondaries? What do you do for Blind River, Thessalon, Atikokan



or wherever? Those are legitimate questions. Maybe we have to look at the question of more diversification. It is not my view that we can hire everybody in the province to be a civil servant and put an office for everything in every community. On the other hand, in as fair-minded a way as we can, we have to spread some of those gifts out across the province, more so than has been done in the past. I will leave that for a minute.

Let me talk about the Conference on Northern Competitiveness. I talked about that before, and maybe there is nothing more I can say about it.

**Mr. Wildman:** Can you tell us how much you paid the consultant?

**Hon. Mr. Peterson:** About a hundred and something.

**Mr. Tough:** It was \$150,000.

**Hon. Mr. Peterson:** It was criticized, and I do not blame you for criticizing. I was not very happy with it either, if you want to know the truth. I will explain what we wanted to do, and if anyone does not like it blame me, because I take the responsibility.

I have been at a lot of conferences in my life and I have been to a lot of places where people just yap. I have also been to an awful lot of places in northern Ontario. I have not been there as much as you but I have been around this House long enough to hear a lot of the predictable kinds of things people say, basically squawking such as, "You guys from the south do not understand northern Ontario." It is the same old speech, recycled a million times. I am sympathetic to that, but it also reaches a point where it does not generate anything particularly new.

It was my view that we should have in a very flat way, without any polemics attached to it, as objective an analysis as we could possibly have of what was happening and of the prospects for iron ore, the base metals, gold, forestry and whatever, so at least we could start the discussion with some common ground. There is no sense getting into a thing where my accountant is fighting with your accountant. You believe those numbers, I believe these numbers; and nothing happens.

I look back for 10 years. I have been around here for a while; I am getting old. We make the same old speeches, and what happens? What has advanced? The tragedy is, not much. Even in the evolution of my political lifetime, you look at the evolution of a company such as Inco, which has been down-sized, down-sized, down-sized, and it is happening to others as well.

My view for all the problems is, face these things. Look at them straight in the nose and say, "Where are we going to be 10 years from now?" If you do not like what you are going to see, try to affect the course of it, but do not just run away from problems, do not just buy yourself another year when you know you are going to face it a year from now. Try to solve these things in more structural ways.

One of the realities is that a lot of the major corporations are down-sizing. Technology, by definition—not necessarily by definition but almost by definition—brings fewer labouring jobs. I do not want to get into the classic fight about whether we should have machines or people, but that is the reality. The guts of the problem is a competitive problem, for whatever reason.

We can say the companies were stupid and they should not have invested in Bolivia, Guatemala, or New Caledonia; they should not have bought battery factories or Kidd Creek; they should not be part of American multinationals. There is not an enemy up there that I have not heard criticized. I know them all, but none of it is getting the baby new shoes.

Certain things are happening. It is very tough to be optimistic about base metal prices right now when you have nickel at about \$1.55. You know what has happened to nickel prices better than I do. You know what is happening to coal and wood prices and all this stuff. The point is that if we do not modernize, we are going to be in trouble.

The northern Ontario economy was pretty healthy for a long time. You almost had two economies. People who were employed were in fabulous shape. I talked to bush guys who told me they were making \$70,000 a year. Not bad. They worked hard for it. I talked to other guys who were unemployed and they were not making anything. It was a different story. People who were employed were attached to some fairly high wage operations; others were not. We are now seeing some of the shake-out in that and it is very hard on everybody.

We have to use our creativity in supporting those industries, obviously, while looking at new opportunities in those industries and picking up other things as well. I do not have all the answers to this, but it involves building that entrepreneurial spirit. It is there, but it has not always been exercised to the fullest extent of its creativity in the past. Somehow or other, it seems to me—and you can criticize me for this—that one of the messages of that conference was: "We do not

have all the answers. You have to develop these things yourself and we will help."

The perfect example is Searchmont. You were there, Bud. That thing had been up and down for 30 years and I gather it was kind of a dump prior to this. We put \$5 million in there because we had very positive local management. They came to us for money. We said: "No. You have to put in your own money." You recall that.

They put in their own money. We added a \$5-million loan. They have upgraded. I skied there last Friday. It is fabulous. It is better than the stuff close to here in southern Ontario. I had no idea. I had never seen the place before. It is going to keep people there. It is going to do good things for the community. They have built a community around it. It is just one example. It is not the end of the world, but it is one more thing. We need a lot more things like that.

I was in Nakina. There is a lot of worry in Nakina about what is going to happen to Kimberly-Clark, the woodlands jobs and all that stuff. When they closed down, something like 30 per cent of the town moved out within the last six months. It was unbelievable. Am I right?

**Mr. Wildman:** It was Canadian National moving out.

**Hon. Mr. Peterson:** Yes, the CN moved out. Then somebody started thinking. They found a clay deposit. A couple of jobs in Nakina is like a couple of thousand jobs in Toronto. You cannot underestimate the onesy-twosy impact and the responsibility we have to build on those ideas.

I am not smart enough and I have not met any politician yet, north or south, who is smart enough to know all the answers to that situation. Our approach is to try to build on the strength that is there.

I think we started a dialogue. I know I was criticized; everything we do will be criticized. That is fair enough; I do not mind being criticized. However, we have started the dialogue, and when you have some of these people standing up and taking a little different approach—we are trying to do that at Falconbridge. A number of you who have participated in the discussions with Falconbridge know how difficult they are, as the ones with Algoma and Great Lakes would be.

I have seen situations where the labour-management relationship was awful. I thought we were past that. I guess I was a little naïve. We are trying to get people to work together on some of these problems. I can report a little bit of progress; not a hell of a lot, but a little bit. I hope we can continue in that regard.

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We have to understand the realities of the situation. Sometimes the realities gets lost in the high-blown political rhetoric, name-calling, blaming and credit-taking that we do here at Queen's Park. Sometimes it does not have a hell of a lot to do with the reality out there, it seems to me.

We are trying to work on this. I can tell you I have had a lot of people come to me to say they really enjoyed that competitiveness conference. They thought it was a worthwhile first start. Others may not. They do not have to come next year, but we are going to do it again next year and we are going to try to continue to build on those strengths, build with the existing infrastructure, build with the economic development councils and re-examine any premise that we have been operating under. I have told you about that.

Land use policy is another thing. We are going to be far more creative with land, which is the single biggest asset the crown has. I think we could be more creative on it. I have told you some of the things we have done already and we are prepared to do in the future as well.

It is a long-term deal. There are no instant solutions. I might change some of the details if I had to do it all over again, but I think it was a positive thing and most people I talked to thought it was a positive thing.

What else should I tackle?

**Mr. Tough:** You wanted to mention Algoma Steel.

**Hon. Mr. Peterson:** Yes, let me talk about Algoma. Algoma is a very worrisome situation. Again, as all of you who are informed know, this relates to the mine at Wawa, which I understand is the only underground iron mine left in North America, but I gather it is a beauty. They have developed some technologies there that are unique and that everyone is very proud of, but they still have this competitive problem of getting the ore. You know the problem with the railroad. There is not enough traffic to rate-base this to spread their overheads, and it is leading to a problem. Compound that with Algoma's other problems and it is a massive regional problem.

We said that the province is prepared to participate in discussions. We have to make sure that these discussions do not affect the steel talks in the United States, which are just as sensitive as the wood talks, as you know. We said we would participate and last week we got a very positive response from Michel Côté, the federal minister, saying he was prepared to participate somehow or other in discussions on the railroads.



When are those meetings going on?

**Mr. Tough:** We are meeting with his officials this week and we expect to start the negotiations.

**Hon. Mr. Peterson:** So we are meeting this week.

**Mr. Tough:** We have had a series of discussions with officials of Algoma Steel and Algoma Central Railway and, most important, with the federal officials, Mr. Côté's officials. As the Premier said, that culminated, finally, in a letter from the federal government indicating that it was prepared to participate in discussions. That is getting us over a fairly major roadblock that had been hindering serious talks until now. We anticipate that, certainly beginning next week, we will sit down in a four-sided or five-sided discussion with all the parties that have to play a part in this.

**Mr. Pierce:** In listening to the Premier with respect to softwood lumber and the resource industries, on a number of occasions he indicated that we have to be concerned, and certainly we are concerned, about what effect it will have on our ability to continue to trade with the US. Are we now in a position where, every time we anticipate making a move, we have to look over our shoulders to see how it is going to affect the industry as it reflects on our trade with the US? Is that the situation we are into today?

**Hon. Mr. Peterson:** I think that is what the softwood agreement has done to us. That is what softwood is all about. That is what we have come to in these discussions. That means we have to check with someone else before we make taxation policy, regional development policy or resource allocation policy.

I think that is what happened when Canada went for that deal. It is scary, is it not?

**Mr. Pierce:** It is more than scary. I was concerned about how much control we had over our resources to begin with, with respect to trade with the US or even offshore. As you and other members of the committee are aware, for a number of years we have fought the battle of whose ore is going to go where. Is the American ore going to go north to Canada? Is the Canadian ore going to go south to the US? The American producers are saying, "We are not going to accept any more Canadian ores," and the Canadian producers are saying, "We do not want the American ores but because of the competitiveness of their price, the availability and texture of it, we are bound to take it."

We are trading in steel products with the US, and if we want to continue trading in steel

products, we have to continue to take the ore product. That has always been over our shoulders. It has been over our shoulders for as long as I have been around, and I have been around the steel industry for almost 30 years.

**Mr. Wildman:** You have to recognize, though, that those same Canadian steel companies also own parts of those mines in some parts of the US.

**Mr. Pierce:** That is right. You are talking to the same partner on either side of the border. Canadian companies, limited as they are, have been involved in the American steel industry, and American companies, big as they are, have been involved in the Canadian industry.

Having said all of that, we are still prepared to wave a flag on our own behalf and pursue the industry to the betterment of the Canadian economy. How do you, as Premier of Ontario, address that kind of problem? Do we pull back on assisting industry in Canada, and in Ontario specifically, because we are afraid it may impact on American trade?

Let me go a little further. Do we say we think the Americans may have something over us in the softwood lumber industry and in the export tax to the extent that we cannot provide training, or that we cannot assist the guy in the bush who no longer has a job because the export tax has put him out of work? It might reflect on the guy who is still in the bush so we cannot assist him; and we want to be very careful, if we do, that we do not affect the person selling the wood? How do you, as Premier, address those kinds of problems? Do you address them right up front or do we wander around all over the place looking for some common ground?

**Hon. Mr. Peterson:** It is a very legitimate question, but I do not know the exact answer yet because it has not yet been worked out. However, I will take a stab at it, and as it develops I will probably be able to answer it better for you. We do not know for sure what is countervailable. Probably retraining a forest worker to do something else, if there is another job for which we can train him, is not countervailable. For example, we are taking people out of Terrace Bay and training them to go to the Winston Lake mine, which is another little bright spot. There is a zinc mine up there.

**Mr. Pierce:** Can I offer a comment on that? Be very careful with that one because Noranda has already geared up to shut down its operation in Mattabi and transfer those miners to Winston Lake. If we say we are going to train the workers from Terrace Bay—and I know there is some



training going on in anticipation of those jobs at Winston Lake—let us remember the guy from Mattabi comes with some seniority and it is portable to another mine, so we have to be very careful in what we are training people to do.

In the past, we have experienced training programs by both levels of government, federal and provincial, training people for jobs that were nonexistent. We were training them for the sake of training them, getting them off the street for 12 months, six months or whatever amount of months the training program involved, and then had nowhere for them to go.

**Hon. Mr. Peterson:** That goes to my basic point. However, my only point is that in my opinion it would not be countervailable. Your general point with respect to training people for jobs that do not exist is well taken. What the hell is the point of training someone to be a computer technician if there are no computers.

**Mr. Wildman:** May I just ask one thing in regard to this? I do not want to prolong it, but it appears that what is being proposed in regard to the Algoma Ore operation and the Algoma Central Railway is some sort of federal and provincial subsidy for the rail operation, the freight operation. It appears to me one of the main reasons this is being proposed is to attempt to avoid countervail. Rather than Algoma Steel asking for a subsidy, basically you subsidize the Algoma Ore operation by subsidizing the ore carrier rather than the ore producer.

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**Hon. Mr. Peterson:** You have it.

**Mr. Wildman:** I do not think the Americans are blind. I am not sure they are going to buy this argument, but it seems to me that whatever you decide in your discussions with the companies and the federal government, you have to move to require from the companies, at least, job guarantees for the Algoma Central Railway employees and the Algoma Steel employees, whether it be in Sault Ste. Marie or Wawa. Otherwise, if this is seen simply as a way of tidying over those companies for one to five years and an eventual shutdown in Wawa, then we have not dealt with the real problem, the future of the community of Wawa and the effects on the Algoma Central Railway operation.

**Hon. Mr. Peterson:** You have it. You have put your finger on the dilemma. The difficulty then is, if they read Hansard, some hot-shot American professional countervailer is going to go, "Look at the guy Wildman; he is saying that stuff in Hansard."

**Mr. Wildman:** I am a socialist.

**Hon. Mr. Peterson:** We will dismiss you, but Mr. Bernier says we are in trouble.

**Mr. Pierce:** In fairness, they would welcome you in the United States right now.

**Mr. Wildman:** Colin Brown is trying to boot you all out.

**Hon. Mr. Peterson:** You can see the difficulty. There is also the other part of their activities in the past. You have heard how rough they are when it comes to canning and things such as that. We have to be very careful about this. We are in a new, supercharged atmosphere. I cannot guarantee you results on this. We are mindful of it and we are going to do the best we can on it. We are trying to find other opportunities. We are trying hard to find secondary manufacturing; we really are. We are pushing it all we can, but it is not an easy proposition. We are prepared to help in a very substantial way. We are looking for some of the northern solutions as well and we see some hope.

**Mr. Pierce:** If I can go back to my question to the Premier, do we really take this thing by the horns, do we take the bull by the horns or are we afraid he is going to gore us and we turn our back on him?

**Hon. Mr. Peterson:** Who is the bull?

**Mr. Pierce:** I am asking you the question.

**Hon. Mr. Peterson:** Who is the bull you are talking about?

**Mr. Pierce:** The bull is the US market. How do we approach and compete in the United States market and still keep our resource-based industries intact?

**Mr. Wildman:** That means you have a lot of bull involved.

**Hon. Mr. Peterson:** The bull is in the trading business. There is the US Congress, what is happening there, and the administration. We are trying to add our little bit and our little advice along the way. Obviously, to sell, we have to be aggressive and competitive as hell. We know we have the advantage of a 30-cent difference in the dollar.

One thing worries me. I read a little piece in the paper today that Jim Baker was coming up here to try to get the Canadians to get the price of their dollar up. That will separate the free traders from the other guys pretty soon, if they start going after our currency. Those are issues we try to protect at the national level. That is why we are selling; that is why we have a \$20-billion trade surplus.

The Americans are not doing this out of the goodness of their hearts. When they find out, as they have, that we have the second-largest current account trade surplus in the world with them, after the Japanese, they are going to try to get us. This is not easy.

As I say to some of my friends—it is not you—who are arguing the other side: “Do you think the Americans looking at this, when we have a \$20-billion surplus, are going to say: ‘Oh, that is not enough. You guys should have a \$30-billion surplus. Let us give you more access.’?”

**Mr. Pierce:** No, I am sure they are not.

**Hon. Mr. Peterson:** The question is, what do they want back for it? Can we walk into a situation where we are doing okay and win? Can we do better than we are doing? The answer, to some of us who are a little frightened, is probably not. We are going to come out, unless we are blind—this is the message I have taken to the federal government, and any help you can give me will be much appreciated—with the short end of the stick.

**Mr. Wildman:** It is not going to help them to tell them that the enemy is themselves, and if they do something about their interest rates it will affect the currency values.

**Hon. Mr. Peterson:** The odds are they are not going to take advice on how to run the US economy from some lowly provincial Premier. I can give it a shot, but I do not think they will.

**Mr. Bernier:** The Prime Minister first.

**Hon. Mr. Peterson:** Frankly, I was delighted when the Prime Minister invited Mr. Bush and Mr. Baker up here today. I hope they can use their good offices, because that is one of the things we have going for us to clear up some of this junk that has been accumulating and these irritants. They really are stacking up.

**Mr. Pierce:** In your earlier remarks you indicated, with reason, that we have to be concerned about additional industry because there is no question that the softwood industry was the first and there are a number that will come right in behind it.

**Mr. Wildman:** On a point of order, Mr. Chairman: I understand that this is a very important issue. It is important to all of us, and I share Mr. Pierce's concern, but in regard to your earlier comments—and all of us have been involved in this and have contributed to it—we should give the Premier the opportunity of completing his remarks, and then perhaps we can

enter into the dialogue. That way we can be a little more efficient.

**Hon. Mr. Peterson:** I am in your hands. I enjoy this discussion. I like getting your ideas and thoughts on how to do it.

To do with the other issue, I have one thing on the northern relocation that is interesting. All of us who have a feeling for northern Ontario—and I include myself in that—like what is going on and support it. I got a letter from one of the southern members today, who said: “I just lost 400 jobs. Why do you not move the ministry here?” You can see the kind of pressure it creates. Andy Brandt thinks that because North Bay is getting something we should move a ministry to Sarnia. The thing never stops. However, those are my problems.

I get a lot of advice on gas prices wherever I go. Energy prices are a problem. There is no question about it. The Rosehart committee report, to the best of my knowledge, would cost about \$70 million to implement. It is a lot of dough. When you have \$70 million, you have to ask yourself, “What is the best thing to do with it?” Is it better to put it back, do trickle-down or trickle-up, throw it back into the economy and let the consumers spend it wherever they want to spend it; or is it better to keep that money and spend it in certain ways?

It is a question we have put to the economic development councils. By and large, with one exception, they have come back and said, “We would rather have that money spent on transportation.” If I had to categorize in a list all the things I have heard from northerners over the years—if your advice is the same, I would be interested in knowing it—the single most important thing is transportation, in all its forms, such as roads and airports. They mention that before they mention jobs. That seems to keep coming back to me. I hear about roads all the time, the pot-holes and all the problems.

It is a message I have heard and a message a lot of my colleagues have heard. I am not Santa Claus. We cannot be all things to all people. I cannot cut all the prices and give a lot more service. We are trying to do the best we can with what we have.

If you push me on that question today, we may be better off doing more construction, trying to get more roads, etc., than just cutting prices. I do not know. I think the consensus might not be—

**Mr. Wildman:** In the last provincial election campaign, the Liberal Party estimated—I am using your figures—that it would cost \$40 million a year for 10 years to bring Ontario's roads back



to 1977 standards. Yet when we get into the votes, we will see that spending on roads in the north, as far as I can see, was increased by only five per cent last year.

**Hon. Mr. Peterson:** You could be right. Do you have the numbers, George?

**Mr. Tough:** We will go through it line by line. It did increase, but not as much as we wanted it to.

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**Hon. Mr. Peterson:** That is a point well taken. Maybe I will leave it there. I have shared with you some of my thoughts. If there is anything I have not answered that you would like me to talk about, I will be very happy to do so.

**Mr. Bernier:** Has the minister finished his response?

**Hon. Mr. Peterson:** Yes. Unless you think I have missed something that you would like me to respond to, I will turn it over to you.

**Mr. Bernier:** I want to express my appreciation to the minister for explaining the softwood tariff issue to us. That is causing northerners a lot of concern—there is no question about that—with over 500 jobs now being lost across the north. They are not all directly related to the tariff, but some of them are.

The scare goes across the industry. The points the minister has made are well taken. I know the i's have not been dotted nor the t's crossed, nor all the definitions made that the industry tells me it is looking for, such as what is a saw log, what is a pulpwood stake and this type of thing, and where the funds you referred to can be allocated. We are extremely grateful for that, and I want to express that to you.

I am a little disappointed in the specifics of the minister's comments. As one who sat in your place for a few years and who hears you asking us for some advice and direction and to share our views with you, where you should be going and what you should be doing for northern Ontario, I remind you that if you had been around and listened to the estimates of this ministry for the last seven or eight years, you would have heard your own members say, with great glee and great pronouncements, that they had all the answers to the problems of northern Ontario.

The member for London North (Mr. Van Horne) would stand up every year and at great length espouse what his party would do, from equalizing the price of gasoline and milk on down. I find it odd that you should come before this committee now and ask us. I am sure if you read Hansard or even go to your own members—

**Mr. Pierce:** Give Ron a call.

**Hon. Mr. Peterson:** I am not as smart as those guys.

**Mr. Bernier:** Yes, you are. I think you are being very coy and twisting us around your little finger, so to speak, and saying, "Help me," and all this stuff. I was berated by your own members for hours about what we were not doing and all that.

I remind you that in the last two years things have deteriorated in northern Ontario to the worst point in my lifetime with regard to Ear Falls, Atikokan, Shebandowan, Terrace Bay, Great Lake and Nakina, right across the north, even to Capreol. There has been a disastrous effect in the last two years.

I am not putting all the blame on you. It is a worldwide situation related to resources, but you know as well as I do that the government in power must take that responsibility.

I am particularly disappointed that you did not address the specifics. I hope we can get into the specifics of the problems of northern Ontario, because that is what it is all about. Northerners want to hear answers. They want to see where we are going.

**Hon. Mr. Peterson:** We have 14 hours left. Let us get specific.

**Mr. Bernier:** They do not want the grand, glossy approach, the paintbrush approach. They do not like that. They want specifics. Northerners are made that way. I say that to you in sincerity. They are looking for answers. To say there are no answers at Queen's Park is shortchanging northern Ontario. I think there are answers at Queen's Park.

I encourage you to go back to Hansard and read what your own members have said and what they would like to see happen in northern Ontario. I pass that on as one who has been around for a couple of days and has listened to both sides of the argument. The former member for Lake Nipigon was great on giving advice.

**Mr. Wildman:** He still is.

**Mr. Bernier:** It is something we must deal with.

I am most pleased you have realized that transportation is a major issue in northern Ontario. Again, we are getting down to specifics. You talk about secondary roads, resource roads, access roads, the northern roads program. You touched on it very lightly. It is important that we get down to the specifics and the dollars and cents.



My people in the Pikangikum area were very disappointed when they got the deputy minister's letter saying that in no way, now or in the foreseeable future, would there be an all-weather road built between Red Lake and Pikangikum, a road that the native people finally have come around to asking for after years of silence. I am disappointed. You are shutting the door on the native people. In your remarks, there was not one mention of native people, about the concerns that you and your ministry have for native people in northern Ontario.

This disappoints me because it shows that your priorities are not the right priorities. Maybe my priorities are different from your priorities and maybe I should not be putting myself in your position, but when I listen to you, I say to myself that these are the points that I know affect northerners. The chief of this government, the minister of this ministry, forgets to mention the Ontario Northland Transportation Commission. You have not mentioned the ONTC and the concerns of norOntair. It is serious.

We heard from the former minister that they were going to do away with the rail system, that it was cheaper to give everybody north of North Bay \$200 a year to take a taxi rather than to have the Ontario Northland Railway run a passenger service. Now we hear that the ONTC is thinking about buying the rail service between Toronto and North Bay and putting in a modern up-to-date system. They are also expanding into the Hearst area, which is great.

**Mr. Wildman:** Maybe they should consider buying the Algoma Central Railway.

**Mr. Bernier:** I understand that has been shelved, it is not there. We are concerned—

**Mr. Pierce:** It is not in the estimates book; I checked.

**Mr. Bernier:** I want to get back to the native people. As we go through the estimates, I hope we spend considerable time talking about native people. I am sure you are aware of the native fishing agreement. It is an issue that is before the people of northwestern Ontario. Last night, in Sioux Lookout, more than 500 people jammed the Moose Hall. They were hanging from the rafters because this government, with its educational program, seems to have put a split between the native people and the white people in my area over the fishing agreement.

I urge you to get your ministers up there, front line and centre. Do not leave it to the senior civil servants of this government to carry your policy message with regard to native fishing agreements. It is wrong because they cannot answer.

The Attorney General (Mr. Scott), the Minister of Natural Resources and yourself should be up there talking about that issue because it is going to affect everybody and everybody else's children if we do not deal with it. It is a hot political issue. I serve you notice on that. I hope we can get back to it.

**Hon. Mr. Peterson:** I am mindful of the recent history on that.

**Mr. Bernier:** On that point, it is interesting that the former Minister of Natural Resources, Alan Pope, made a statement on the Timmins radio about a week ago. He said he could not believe this government would duplicate the mistake he made in 1982. He admitted he made a mistake in the way it was handled and this government is going exactly the same way. I urge you to get on top of that issue to try to resolve it. You should be front line and centre.

**Mr. Wildman:** Pope was cut off at the knees on that.

**Mr. Bernier:** He knows; correctly and rightly so at the time.

An educational process is in place, but the unfairness of the whole thing is that those people or those user groups are not being allowed to go to the negotiating table. They want funding such as we gave to the Royal Commission on the Northern Environment. They were able to go to the table and present their point of view. Now it is the federal government, the provincial government and the native people. There is nobody invited from the outside and that is going to cause some serious problems. It can be corrected. It can be put back on the rails, but it needs involvement by the political masters of this province, which means your ministers. I pass that on sincerely because it is an issue that I dealt with in 1982. It was a difficult one. It is back again.

**Hon. Mr. Peterson:** Your advice is very well taken. I do not disagree with you at all.

**Mr. Bernier:** We should have another look at it.

On the question of the ONTC and the rail service, the rumours are interesting. I hope it is true that an improved rail service is going in. We were on that track at one point. You have gone one step further and I commend you for it, if that is the way you are going.

I wrote a letter to you last October regarding the Dash-8 service. I received a response from the deputy minister just last week saying that proposals were being asked for use of those Dash-8 aircraft in northern Ontario. You have completely ignored and set aside the recommen-

dations of our former colleague, Jack Stokes, who did a very extensive study and came down with what I thought were 10 excellent recommendations for the use of the Dash-8 aircraft. They have been completely put aside, totally ignored and you have gone in another direction.

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I do not know the results of it. I understand they were just proposals, and nothing firm, nothing in steel or anything, but nevertheless it is causing some concern across northern Ontario. The fear is that if norOntair is funnelled off to the private sector, small communities such as Pickle Lake, possibly Geraldton and, I am sure, Atikokan, that do not have a high passenger capacity will be slowly denied their service. I get a feeling, particularly in the northwest, we are being denied the use of a modern, convenient, Ontario-built aircraft like the Dash-8 that would provide the service up there.

**Mr. Wildman:** Be careful. Colin Brown is going to be convinced you guys are for the public ownership of everything.

**Mr. Bernier:** No, I think it is there in place and now we have to get the private sector to do the proposals. I am not against the proposals if the time has come, and I say this sincerely, and if the private sector can come up with some proposals and guarantee us the service that we, as northerners, think we are entitled to.

**Hon. Mr. Peterson:** The bottom line is service; you are absolutely right. I gather the subsidy right now is about \$57 per ride on norOntair. You can say we subsidize people such as myself who drive on roads. You know all that kind of stuff. Obviously, we want to do this as efficiently as we can. They are different communities and they have to have a transportation link. It is going to cost some money somehow or other, but we want to do it as efficiently as we can.

There have been a lot of changes in air service in the last couple of years. There are more guys coming in and more competition, and people are being swallowed up and gobbled up. Good God, you would need a program to find out who owns an airline this week up there. We have been trying to stabilize this. As to norOntair's job, we do not want to be the carrier of first resort. We are the backup carrier to pick up the jobs you mentioned. Let me assure you that we are always looking for ways to do more things more efficiently. We have to have that service because they really cannot survive without it. I am very mindful of what you are saying. If we cannot get better ways to do it, we will do it ourselves. It is

not a philosophical question; it is a practical question.

**Mr. Bernier:** That is right; we agree on that.

**Hon. Mr. Peterson:** How do we do those things cheaply but efficiently for the people who need and deserve them? When I go up there, I hear ideas on air routes and why we should presumably be staffing them. The Dash-8 is a pretty big plane, you know. The question is how we use it and provide it all at reasonable cost. Do not ask me how. Again, the specific answer is that we are committed to looking at proposals and looking at doing it more effectively. If we can we will; and if we cannot we will just carry on the way we are.

**Mr. Bernier:** Another point I would like to touch on is the decision by the Canadian Radio-television and Telecommunications Commission to force Bell Canada to rebate 20 per cent because of long-distance overcharging over a certain period of time. I hope the staff can pull together an explanation for us as to how that will affect Ontario Northland Telecommunications in the ONR system. What financial impact will that have?

I have some concern. I do not know what to do about it, but it is something we should know. If it is going to have a serious impact, that will reduce the profit because that is a very strong arm of the Ontario Northland Transportation Commission. It has a very high profit margin that carried them through some pretty difficult times. That is one area we would like to know about.

I want to touch on wild rice. As you know, the ministry has been funding a study at Lakehead University for some five or six years now at about \$100,000 a year. I am proud to say that this province now is the forerunner in research and development with regard to wild rice. I think we have taken over from Saskatchewan and Manitoba. Our policies with respect to the usage of certain lakes across the north and northwest has to be resolved soon because there is a demand from the ordinary people who would like to promote the growth of wild rice—not in the traditional harvesting areas of the native people; everybody agrees those areas should be retained in perpetuity for the native people.

However, there is an urgent need for an immediate policy decision with respect to the development of wild rice harvesting areas and planting areas. This is serious. It is denying some real economic benefits. We had 20 per cent of the world market eight or 10 years ago and we are down to one per cent of the world market. Manitoba and Saskatchewan have overtaken us.

California and Minnesota are in the game now and have taken our markets. We have lost it. When the government changed, there was a change of policy. One of the last things we did was to bring in a wild rice policy. The staff had taken it across the north. Nothing has happened. They are waiting for some decisions, some action in that field. I urge you to get on with that area.

**Mr. Chairman:** I am sorry to interrupt. The bells are ringing now, although it is hard to hear them. There is a vote on the deregulation of the trucking industry and the committee members should be there.

The committee adjourned at 5:46 p.m.

## ERRATUM

No.	Page	Should read:
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- Laughren, F., Chairman (Nickel Belt NDP)
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- Wildman, B. (Algoma NDP)

**Witnesses:**

**From the Ministry of Northern Development and Mines:**

- Peterson, Hon. D. R., Premier and President of the Council, Minister of Intergovernmental Affairs and Minister of Northern Development and Mines (London Centre L)
- Tough, G., Deputy Minister











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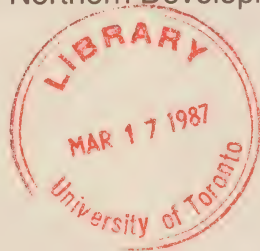
# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

#### **Standing Committee on Resources Development**

Estimates, Ministry of Northern Development and Mines



**Second Session, 33rd Parliament**

Wednesday, February 4, 1987

Speaker: Honourable H. A. Edighoffer

Clerk of the House: C. L. DesRosiers

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### STANDING COMMITTEE ON RESOURCES DEVELOPMENT

**Chairman:** Laughren, F. (Nickel Belt NDP)

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Substitution:

Lane, J. G. (Algoma-Manitoulin PC) for Mr. Stevenson

Clerk: Decker, T.

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# LEGISLATIVE ASSEMBLY OF ONTARIO

## STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Wednesday, February 4, 1987

The committee met at 3:28 p.m. in room 151.

### ESTIMATES, MINISTRY OF NORTHERN DEVELOPMENT AND MINES (continued)

**Mr. Chairman:** We have remaining on the book about 12 1/2 hours in the estimates of the Ministry of Northern Development and Mines. Realistically, we have today, Monday afternoon, Tuesday afternoon and Thursday morning scheduled. We do not know what the House leaders and whips are working out for Thursday since it is going to be one of those kinds of days around here where windups and so forth go on, so we are not sure at this point.

When we last met, the Premier (Mr. Peterson) had responded to the leadoff critics. If we are going to have any sense of control over the votes, I suggest that we move now to vote by vote so that it also allows ministry staff to know when they should be here.

**Mr. Bernier:** I have a copy of the Instant Hansard. On page 49, you will note that I was in the midst of asking the Premier questions with respect to wild rice. I have couple of other questions I want to follow up on.

**Mr. Chairman:** Fine, we will finish that off and then move to vote by vote so there is some sense of order to the whole estimates. I am particularly worried because I do not want to run out of hours at the end.

**Mr. Lane:** I have some difficulty with the decision you have made without conferring with the members of the committee. I think we should have a wide-ranging discussion, and when the time runs out the time runs out.

**Mr. Chairman:** My suggestion is that we go vote by vote unless the committee determines otherwise. If the committee determines otherwise, it does not matter to me. It is usually easier for members of the committee and the staff to go vote by vote, but it is in the hands of the committee.

**Mr. Wildman:** I understand what my colleague the member for Algoma-Manitoulin (Mr. Lane) is indicating. He certainly has a personal interest in the estimates of this ministry, because he was one of the people responsible originally—I think the member for Kenora (Mr. Bernier) will

agree—for the establishment of the Ministry of Northern Affairs.

However, I would be concerned if we just had a long rambling discussion which might become repetitive and did not cover some of the various estimates. It may be novel in this House, but during the estimates I sometimes like to look at the figures and see how much we are actually spending on various things. It is easier to do that if we go vote by vote than if we just have a long discussion of various issues. But if the majority on the committee wishes to go the other way, I can go that way too.

**Mr. Chairman:** Can we make a decision?

**Mr. Bernier:** In previous years we have always had a broad-ranging, overlapping debate. As the member for Algoma (Mr. Wildman) will agree, with the former member from Lake Nipigon riding it was always an open discussion. To be fair to the Premier, this is his first ministry, he is only here part-time. I think it would be unfair to zero in on vote by vote. It would be much easier for him and for all of us if we had a broad-ranging debate and then voted on the votes at the end of the discussion.

**Mr. Chairman:** All right. There seems to be a consensus on that. We will have it as a wide-ranging debate.

**Mr. Bernier:** If I may pick up where I left off and talk about the wild rice issue in northern Ontario, the Premier will recall I reminded him of the position of northwestern Ontario, where we have gone from 20 per cent of the total market value down to about one per cent now. Manitoba and Saskatchewan have overtaken us. California and Minnesota have gone way ahead of us. We do not have a policy in place.

The previous administration did bring a policy forward in its dying days. That policy was to be applied across northern Ontario by the staff. Nothing has ever happened to it. I want to make it very clear that our position is that the traditional harvesting areas of the native people should remain theirs in perpetuity with no idea of interfering with those areas, but we do want some idea as to when the policy will come down and what we can expect, because so many people up there are anxious to get involved. We are looking

for economic diversification, jobs and all the things that flow from a natural crop.

I also would like to know what the future is for the Lakehead University research program. The ministry has been funding that university to the tune of about \$100,000 a year for five or six years. I think Professor Peter Lee has been the forerunner and leader in research on and development of wild rice. He is now recognized as a world leader in that field. We are hearing rumours that the ministry has made a decision to wind down that research program. We would like some assurance it will continue. What is the position of the ministry?

**Hon. Mr. Peterson:** I thank you for being sympathetic, because I am not an authority on this issue. The deputy minister will help me, and anybody out there who knows anything more than I do can help me out too.

When I hear those figures—and I was aware of that drop in market over time—they obviously are alarming. It says we did something wrong, and we have to try to change the situation around as best we can. I am mindful of some of your efforts in the past. We are hoping to change that. At the moment, we are working on that wild rice policy. We are looking, we hope within a month, to deal with that.

That is about where we are. I do not like saying that, because sometimes, if it is six weeks, two months or something, I come back and you say, "Why did you say a month?" But we are closer rather than farther away in developing that comprehensive policy and including your knowledge of the situation.

I was not aware of the Lakehead situation, but the deputy tells me we have no intention of cutting that off at the moment. Again, I do not know very much about it.

**Mr. Tough:** I think the Premier has pretty well said it. As Mr. Bernier is aware, there were subsequent discussions with a number of the interested parties under the auspices of the Indian Commission of Ontario. Out of those discussions and some further consultations, we were sent back to write some policy proposals in that area, having in mind the kinds of things you are talking about.

It is a very sad situation where we have lost a lot of market share that we used to have. We want to bring something forward, but we are mindful of the fact that this issue is again one of those which has to be carefully handled and carefully explained. There has to be a lot of consultation and discussion with people. We have done that as far as it is necessary to bring to the Premier and

his colleagues a paper which sets out some courses of action with which to go forward.

**Mr. Bernier:** I gather then the policy will evolve through the system and within a month or so we can have some final word on that.

**Hon. Mr. Peterson:** That is what we are hoping.

**Mr. Bernier:** At what level of funding will the research at Lakehead University continue?

**Mr. Tough:** I do not think we have taken a final decision on that. One of my officials can correct me if that is not the case. We are quite impressed with the work that has been done there and we would like to see that carried on. What I can undertake to you, as we proceed to a decision on that particular thing, is I can certainly make sure that you are aware of it.

**Mr. Bernier:** If I could move to another subject, and I advised the deputy at the closing of the last meeting that I would be bringing it up. It is in connection with the Canadian Forces base that is being closed at Sioux Lookout. That radar base was built by the Americans some 40 years ago. It was taken over by the Canadians several years later. It has been operating for that length of time. The federal government made a decision to phase it down and to close it as of April this year.

The town of Sioux Lookout, under the chairmanship of the economic development officer, Don Sanders, took on a very extensive job of pulling the community together, to head up a study and to ask for a very intensive study as to possible uses for that particular site. They engaged a professor from Lakehead University. His name escapes me at the moment, but he has been moved down to a university or a college here in southern Ontario.

He is very familiar with the area. He worked for the Department of Indian Affairs in the Sioux Lookout area for a number of years and came down with a very positive feasibility study as to the possible uses of the radar base which centred on the establishment of an educational skills development school. It would make available to the native community from all over that area north of Sioux Lookout, and the young people, a broad range of skills development. The facility is in good condition, I have to admit.

A number of ministers have been there a couple of times, including the former Minister of Northern Development and Mines. He is very familiar with it. I have to say he left the community with a very positive feeling that something would be done. The community has been sitting on tenterhooks now for six or eight



months patiently waiting and not getting any replies from anybody here as to the next step or what will happen. They are coming down to a crisis position right now, because in April or May it will be all gone. The Department of Public Works has asked Sioux Lookout town council if it is interested in purchasing it as of the last few weeks.

The whole thing is in abeyance and they are waiting for some decision or positive direction from this government. I would like to ask you if there is any decision made, or what they can expect so they can move forward in a very positive way.

**Hon. Mr. Peterson:** Mr. Tough, can you help me out?

**Mr. Tough:** As Mr. Bernier is aware, Mr. Fontaine has been working on that file since the time he and a number of us were up there. He met with the community representatives. He and Mr. Beardy, his former special assistant, have been working on that file. I met very briefly—I believe it was last week—with representatives of the community and they indicated they were pleased with the activity that was going on.

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You are quite right that there is some uncertainty in terms of whether the federal government will be prepared, as I understand has been requested of it, to defer a decision until there has been a chance to pursue the options in the area. We understand there is a lot of support. We have had discussions with representatives of the native community who, as you know, are very much behind the proposal. It seemed to us there was a chance to pull something together.

With Mr. Fontaine's continued involvement in the issue we can probably anticipate that we will get something positive out of it. There is a great deal of community support for it, and that is very heartening.

**Mr. Bernier:** Yes, there is. We can expect something within the next short period. Once these facilities are vacated they deteriorate very quickly. Then, of course, there is the desire to clean the site. The contract the Department of Public Works has is that it must clear the site. If that happens, it is gone for ever. Therefore, I implore you to come forward with an early decision. It will remove the anxiety and provide a good learning facility for the people in that area. Instead of going 250 miles to Thunder Bay or Winnipeg they can do it right there in their own backyard, in an environment they are accustomed to and feel very welcome in.

The final area I want to touch on before I turn it over to the other members of the committee is the native fishing agreement educational meetings that are going on in northwestern Ontario now. I think we discussed it at the last session. Since then, we have had a very interesting meeting in Dryden with the deputy.

I think Mr. Fontaine was there, but he failed to speak at the meeting to represent your government. I do not know why, but he did not. My colleague the member for Rainy River (Mr. Pierce) and I did speak at the meeting. It was a tense meeting; I have to admit that. There was a lot of emotion. There were some remarks that I do not want to associate myself with. Nevertheless, a real concern was expressed there.

The educational process is moving ahead. The group Tourism Northwest has to be complimented for pulling together the public interest in this issue. I think it is fair to say the negotiators tried to do so, not too successfully, through the normal channels of advertising in the paper and calling groups together. Once the Northwest people got involved, and now that they are going to call themselves Northwest Heritage, there is a growing concern in northwestern Ontario, and it is serious.

I do not want to minimize the seriousness of those discussions. I have to tell you that, because it is very divisive, very political and could leave some damaging feelings in that area between the two cultures, not that I want to see that. I do not want any part of that, but I think the educational process must go on.

There are a couple of questions left unanswered. The Red Lake District Chamber of Commerce has written to the government for some financial assistance. As yet, they have not had a response.

A week ago, there was notice of an advisory committee that would be established. That committee would be funded, groups would be called to be part of it. It would report to the cabinet committee on northern development, which, in turn, would report to cabinet. On the other hand, the native people would report to the cabinet committee on native affairs which, in turn, would report to the cabinet. There is no place for the two communities to meet and discuss this issue.

They are being kept apart; for what reason, I do not know. The desire is to bring them together. The groups in northwestern Ontario want a fourth leg at the table. This is the common talk, as the deputy will attest. There are only three legs at the negotiating table now; that is, the



federal government, the provincial government and the native people. There is another group, another leg, that is wanted by the people of northwestern Ontario. They are very anxious to get a position at that table to negotiate and to talk.

As I gathered from that meeting in Dryden, the request was for equality. I kept track of all the speakers. There were something like 47 different speakers. I kept a one-line comment on every speaker, and the thread of the remarks was equality. They all wanted to be treated equally. They did not want to take anything away from the native people but they wanted to be treated equally. That was the bottom line.

The Red Lake District Chamber of Commerce sees the native people being funded by the federal government in their discussions, putting together briefs, making presentations and getting their position in place. They have asked your government for some financial assistance. They have not had a response except through an advisory committee. As of yesterday, there was a meeting in Dryden and the deputy attended. There was a strong feeling that they do not want any part of this advisory committee. That was relayed to me at 1:30 this afternoon. I got a phone call just before the House went in. There is some reluctance. They may even boycott the advisory committee. I do not know what you agreed to yesterday, but there have been some changes.

Now we hear that the negotiators are anxious to push these meetings aside. We also hear that they will go to one more public discussion at Rainy River and will not commit themselves to another meeting that could be held in either Winnipeg or Thunder Bay. The negotiators have said, "No way; it will be our way or no way." The democratic aspect of the whole discussion is being set aside because that is not the way the negotiators want it to go.

There is more confusion than ever up there now. There is an anxiety that is causing a great deal of concern. I am looking to you for some direction and I know I am speaking for the group in northwestern Ontario. Where do we go from here? They are going to be at the Rainy River meeting for another session. What happens after that? Will we be funded? Will we be treated equally with the other groups? That is all I am asking. They cannot seem to get an answer.

**Hon. Mr. Peterson:** Let me just start, and then George can help me out because he was there.

First of all, the points you make are extremely well taken. I do not fundamentally disagree with anything you are saying. It is serious, and I do not

minimize for a moment the intensity of the feeling, the emotion. We went through this before; it was very divisive. Surely we should be able to learn by history. I do not want to go through all of that again.

I understand exactly what you are saying. Although I have not been at the meetings, I certainly have heard reports from them.

**Mr. Bernier:** We would like you up there, sir.

**Hon. Mr. Peterson:** I understand that. I just want to say at the outset that there is no timetable; there is no time frame that this has to be under. We are not trying to jam anything into a particular mould. There is a lot of misunderstanding on this thing.

Some people want to rewrite the Constitution, and when they find out, when they fully understand and the Constitution is explained, they say, "Good Lord, how could they pass that?" I was not there when they passed the Constitution. They want to blame the Premier, the Prime Minister, all the Premiers of the country and all the legislatures of the country.

You are absolutely right. There is a lot of lack of understanding about what is involved here, the constitutional rights and the involvement at various levels. When they do read the fine print in the Constitution, some of them are very upset and say, "We have to rewrite the Constitution." There is that feeling of lack of equality and it is very worrisome to me.

I have heard reports on these meetings, and what we have to do is use our good offices, with the help of everyone who cares about this thing, to assure people that that is not our intention. We do not have a secret or hidden agenda; we do not have a timetable that we have to jam everything into. We have to do the best we can to take the emotion out of this thing, to work on these things in a cool, rational, reasonable way. You know as well as I do that at a large meeting, when people are not apprised of all of the facts they can sometimes get very emotional and out of hand. You know it and I know it. I am not saying anybody was doing anything untoward, but I have been to enough political rallies to know how these things can happen.

We wrestle with this issue of how to make sure there is input into the system. A proposal was put forward to the advisory committee, which you understand and which you described very aptly. That is one idea. It was put forward in good faith as a way to allay some of those concerns and suspicions in a formal way, as well as in many informal ways, to let people speak about the

issues. It is not going to be solved tomorrow morning, as you and I know.

I appreciate that perhaps some people do not think that is satisfactory. You are in possession of more information than I am on this matter. You have talked to some of the people. I can assure you that if our approach is wrong we can always review it, look at it and try more creative ways to do these things inside the context of our constitutional and legal obligations.

You speak passionately and you understand even better than I do how divisive these issues can be in northern Ontario. We have to avoid that kind of damage at all costs through consultation, education and taking the time to work this thing out to come to something that is fair and equitable. This is a responsibility of our entire government. I cannot escape my responsibilities in this area as the Minister of Northern Development and Mines and as the first minister. It is something we are all involved in.

**1550**

As you know, this government has taken a number of initiatives with our native Canadians in the English-Wabigoon river system and we have tried to clean that matter up. We have made an offer of good faith in the Temagami area on the land claims. There is an inordinate number of historic grievances that were around long before you were born, long before your mother and your grandfather were born. They are there, but I think we are all determined to try to solve these in an honourable way.

I do not have the wisdom of Solomon on these issues; I guess none of us does. I just want to assure the honourable member that we are determined to try to avoid those problems of the past and to bring in a structure that allows the kind of input you talked about. There may be some disagreement on how to do that. Is the system too formal or too rigid?

This committee is reporting to cabinet, so all the views are there. Our thoughts were that it would get full input at the table. Ultimately, as you know, the decision on these things has to be made by cabinet. Cabinet cannot shirk its responsibility, nor would we try in that regard. The cabinet has an obligation to have all the information before it makes its decisions.

George Tough was at the meeting, and I am going to let George talk from his own point of view. Were you at the Dryden meeting?

**Mr. Bernier:** Yes.

**Hon. Mr. Peterson:** I am sorry, you were.

**Mr. Bernier:** Not the one yesterday; I was not invited. What was the one yesterday?

**Mr. Tough:** We met with the board of directors of Tourism Northwest.

**Hon. Mr. Peterson:** I will let George speak about that meeting yesterday, because I was not there either.

**Mr. Bernier:** The point is that there was a request on your desk for \$75,000 from the Red Lake District Chamber of Commerce that has not been answered. It has not been responded to.

**Hon. Mr. Peterson:** I was not aware of that and I will take that up. George may have some ideas on it. I do not know how it fits in with the whole question of funding right across the north. What about other chambers of commerce? What about other people? How do we do that in a fair and equitable way? I do not know.

**Mr. Bernier:** I point out that it is the Red Lake District Chamber of Commerce that started the discussions with the royal commissioner on the northern environment. They went to it. These people are pretty responsible. They are frontier people. They live on the borders of both communities and both cultures and they know the issue very well. We have heard them called rednecks, and they are referred to as other things, but they have a point of view. They do not have the funds to do it. They want to get their point of view before you and the rest of your members of cabinet, but they cannot get a response to that request.

**Hon. Mr. Peterson:** I do not know when that request came in; George may know. George has some information that may be helpful. Tell him about the meeting in Dryden from your perspective.

**Mr. Tough:** I did attend the first meeting in Dryden, the one that Mr. Bernier refers to, with the open house, and then I attended yesterday with Mr. Fontaine and Al Stewart, the provincial negotiator. We had a discussion with a number of members of the board of directors of Tourism Northwest and a couple of other people who have a pretty strong interest in this issue.

I certainly cannot speak for what the people who were there at the meeting have decided since the meeting. I can give you an impression, if you like, of what we carried out of that meeting, and I am sure if Al Stewart were here he would be quite prepared to share his notes of that meeting, if it would be helpful.

I came away from the meeting with a rather more optimistic view of things than perhaps has been communicated to Mr. Bernier. There was a consensus that we did not want another Dryden type of meeting, that while there was a good



argument to be made for an open forum to provide a basis for information and that the officials should be prepared to recommend to ministers that they provide officials there as resource people, the kind of environment that was generated at the Dryden meeting was probably not very conducive to getting the yardsticks moved along. As I say, I think there was agreement from everybody around the table that that was the case.

The issue then turned to the Rainy River meeting. I communicated to Mr. Axford and others that it was our strong view that if there was no change, we would not be very sympathetic to having a Rainy River meeting; it was not going to help anybody. I think it was a general agreement that that was the case.

The committee then suggested that they were committed to a Rainy River meeting, but if we provided a resource person in either Al Stewart or Mr. MacDonald, it would undertake to conduct a meeting in such a way that it focused on the issue at hand and was designed to contribute in a constructive way to information-sharing and so on, so the kinds of comments that came up in Dryden would not be stimulated again.

At that point we suggested that we should review the bidding, partly because the minister had sent out letters to the interest groups in northwestern Ontario. Of course, Tourism Northwest is one of those groups, and we would anticipate it would come back with its nominees. The nominees would then constitute a committee. As Mr. Kerrio suggested, the committee would then decide how it wished to conduct itself and, by implication, what sort of funding it would require for the various studies that would be needed so that it could play its full part.

One of the implications in the Premier's announcement last week and Mr. Kerrio's subsequent letter was that we want that committee to take the time it needs to get itself set up, to establish what it wants to do and then develop some kind of funding mechanism.

It was in that context that I mentioned to Mr. Axford, who repeated the concern he had, that we wanted to see how that advisory committee would then be constituted and representative vis-à-vis the various interest groups. Ideally, it would be the case that the advisory group would be accepted by the people who nominated its members to be the prime workers in this case. We are not averse to their going out and doing any kind of study they want to make themselves more comfortable on these issues.

We came out of there with a sense that we had advanced the situation somewhat. We answered a lot of questions about the makeup of the committee and the reporting relationships. They were quite concerned, legitimately so, that there would not be a whole system of filters in the system that deprived the committee of direct access. We discussed that, and I sensed, and I think Mr. Stewart and Mr. Fontaine would agree, that we resolved that to their satisfaction.

There may have been some questions that occurred to them after we left. I left them in the bar after one drink.

**Hon. Mr. Peterson:** That would be the first time in your life. George has been rather cranky since we hauled the booze off the airplanes. That was a terrible mistake.

**Mr. Tough:** Not to differ with Mr. Bernier, but Al, Mr. Fontaine and I carried away a sense that we had a pretty good, fairly productive meeting. Lots of issues were still on the table to be discussed with the committee, but it had essentially accepted that it would participate in the process, that it would run a meeting in Rainy River which was different from the one in Dryden and that, in return and in terms of the Dryden meeting, we would provide a resource person.

I want to make it clear that at no point did we suggest we were trying to truncate their process. If they want to carry on their meetings in the various places, that would be for them to decide. We made that very clear.

**Mr. Bernier:** But without the attendance of the negotiators.

**Mr. Tough:** We said we were not prepared to carry on with the kind of meeting that took place in Dryden. Of course, that is the official speaking, and we would be subject to override by ministers, but I have to say that they did not disagree with that. They do not want any more Dryden-style meetings, so there was no difference of opinion at the end of the meeting on that score.

**Mr. Bernier:** I still have not had an answer to the request for the \$75,000 that the Red Lake District Chamber of Commerce has made. Will they get it or not?

**Mr. Tough:** We would suggest and will be recommending to the minister that the request from the Red Lake District Chamber of Commerce, along with the requests from various other groups for funding and other support, should be looked at alongside the development of the advisory committee, its scope and the support



it has by the groups that are proposing the membership.

As you know, Mr. Axford will be one of those who either will be a member or will be proposing membership. It would be for us and for him to work out afterwards whether the funding should go to the advisory committee—which would be our preference, I have to confess—or whether there is a strong feeling that either instead of or in addition to that, there has to be money to various individual groups. We confess to a sense that if you set up a good advisory committee with the kind of nominations you think will come forward, and that we would seek to have come forward, perhaps that could be, if you like, the receptacle for the funding that would come from the provincial government.

**1600**

**Mr. Bernier:** Can I ask that the Red Lake District Chamber of Commerce be responded to in that positive way if that is the way the government is going?

**Mr. Tough:** I believe I have spoken to Mr. Axford, but we can do it officially. I want to caution that it is not necessarily a positive response. We are saying that a funding offer has been made by the provincial government to the advisory committee, of a sum yet to be decided on because the committee has to decide what it needs, but we would look at the Red Lake proposal and others in that context once that is decided.

**Mr. Bernier:** So it is take it or leave it. Go to the advisory committee or do not get any funding.

**Mr. Tough:** No, I did not say that.

**Mr. Bernier:** Pretty close.

**Hon. Mr. Peterson:** No, I do not think he said that. I am listening to you very carefully on this. It is a question of whether we fund chambers of commerce, municipal groups or whatever. Whom are we funding? The question is, how do we do that in a fairminded and proportioned way and who should be the major players? Obviously, because of the sensitivity of this issue, we have to develop a group that is not only fair but seems to be fair as well.

**Mr. Bernier:** We did it and we set a precedent with the Royal Commission on the Northern Environment. It worked very well. This was never even discussed in the years the royal commission was operating. My God, it operated for 11 years. All those groups were funded directly by the royal commission. We did not have this problem. Now I sense there is some

fuzziness. There is some nervousness about funding those groups.

**Hon. Mr. Peterson:** No, there is not. It is just a question of how to do it.

**Mr. Bernier:** We have a precedent that worked. Why not follow it?

**Hon. Mr. Peterson:** I appreciate your advice.

**Mr. Chairman:** Are you pleased for the moment, Mr. Bernier?

**Hon. Mr. Peterson:** Can I say one other thing? You have your hands on the pulse of this situation. You are very close to it. It is a very sensitive issue. I want to invite you to jump over the traditional lines of talking if you ever want to phone me and tell me what you think is happening or just share that with me. I am not an authority on it. You know a whole lot more than I do.

**Mr. Bernier:** I am not, either. We are breaking new ground, believe me.

**Hon. Mr. Peterson:** Yes, but you have lived there. You have a sense of the people and the mood. I want you to feel free to share that information with me. Intellectually, I understand what you are telling me. I am determined not to let the problems of the past develop. I need your help to do that. Mr. Wildman, you are involved in this too. Some other members are as well. Feel free to share that with me if I make a mistake some time. I am determined not to make mistakes. I do not want to let this thing get out of hand. I hope they bring us out on a mid-course correction that will solve it.

**Mr. Wildman:** Mr. Chairman, before I begin I would like your direction. I would like to make some comments with regard to the issue Mr. Bernier has just raised. I also have a number of issues under vote 2401 that I want to raise, but I do not want to monopolize the discussion.

**Mr. Chairman:** Why not make your decision on which of those two things you want to do now?

**Mr. Wildman:** I think it would be useful to follow through on this one.

**Mr. Chairman:** All right; do that.

**Mr. Wildman:** Obviously, I am not from the northwest and not close to the issue the way Mr. Bernier and Mr. Pierce are, but I do know Mr. Axford. Mr. Pierce and I served on an advisory committee with him, and I did have discussions with Mr. Axford early on in this process. I want to raise a couple of concerns from my point of view because, obviously, this is of utmost

importance in the northwest but it is important right across northern Ontario.

I understand that there is another request on your desk; that is, a telegram from Chief Don Jones in which he expresses concern about the current situation. I believe the telegram was directed both to the Premier and to the Prime Minister of Canada. He requests that both you and the Prime Minister direct your ministers responsible to get up into the area as soon as possible to try basically to cool out the situation. I think that is a very reasonable request, considering the atmosphere as I see it from a distance.

I would like to hear from Mr. Pierce, perhaps, but I do not think that what Chief Jones is suggesting is a mass meeting, necessarily. What he is talking about is getting the ministers responsible up into the community so that they can talk to the leadership of the various groups involved. Obviously, that is the Indian bands and the native organizations as well as the tourist outfitters, the anglers and the general public, the people who have been vocal and who have been involved in the issue.

I do not mean to be too critical but this is a very important issue, and I say that with some concern. I think we risk mishandling this issue. Unless we keep everyone as informed as possible, a vacuum and a lack of information develops that then breeds the possibility of misinformation and rumour.

There are many people across northern Ontario who believe that the choice is not between negotiating some sort of comanagement that recognizes constitutionally protected treaty rights and also makes it possible to have sensible management of the resources and conservation, as opposed to having the problem settled in the courts. The Premier touched on this when he mentioned the Constitution. If the problem, and it is a problem, is settled in the courts, I am no lawyer but I would anticipate two possible results. One is that it is conceivable the courts would decide that the treaty Indians do not have the rights they believe the Constitution protects. I do not think that is very likely, but it is possible. On the other hand, the courts could confirm unlimited, or what many of us would see as unlimited hunting and fishing rights.

**Hon. Mr. Peterson:** Can I add something to that? You are right; and throw a caution on the whole thing that ties up the entire north.

**Mr. Wildman:** Right.

**Hon. Mr. Peterson:** As we have in Temagami. These things can happen and it is very worrisome.

**Mr. Wildman:** If that were to happen it would make it almost impossible for this government to manage the resource in any kind of sensible way.

**Hon. Mr. Peterson:** That is right.

**Mr. Wildman:** My own preference, and I think it was the preference of the member for Cochrane South (Mr. Pope) when he was the Minister of Natural Resources, is for this matter to be resolved through negotiation rather than through the courts where we risk those possible results. The choice is not, as many people believe it to be, between recognizing rights or somehow setting up a situation where all groups, no matter what their ethnic or racial background, are treated the same.

That is not one of the choices because of the Constitution, but very few people understand this unless they have studied the issue carefully. Unless we get the information out in a cool, calm and rational manner that these are the choices that are available, we give the opportunity for the whole matter to be inflamed. Then we risk a situation that no one wants to see happen, certainly not the people who live in the area, certainly not the people who have grown up with one another, have gone to school together, have lived in adjacent communities and have developed friendships that would be imperilled. It could have even more serious ramifications.

1610

I hope that the requests of Heritage Northwest and Mr. Axford, as well as of Chief Jones and Grand Council Treaty 3, will be acceded to and that we get the ministers involved up into that area, whether it be the Minister of Natural Resources (Mr. Kerrio) or the Attorney General (Mr. Scott), to meet with as many of the groups that are involved as possible, to try to explain and get the information out, to talk to the local media and say: "These are the choices. This is what the situation is."

If the decision that results is that the only way these matters can be resolved is through the courts, then I will regret it. But if we are going to have a negotiated settlement of this very difficult problem, we must have the support of the community. The only way you are going to get that support is if you are out there selling that idea and explaining it and getting the information out to the people. Perhaps the advisory committee is one way to go, but I do not think it is going to meet the need because of the strong feelings that have developed in the last few weeks, as I see it from afar.

I do not mean this in any critical way but I have learned over the years that, certainly with the



chiefs and band councils in my area, and for that matter with the chambers of commerce and the municipal leaders too, chiefs like to talk to chiefs. It is time we got some of the chiefs from this government up there.

**Hon. Mr. Peterson:** Can I respond? You put the proposition as I understand it. There is a central dilemma. It is complicated and it is not easy to sell. People say: "I did not realize that. I thought someone was taking advantage of me, that they had more rights than I did." Then it comes back: "Is that stuff really in the Constitution? How could that have snuck through three years ago," or whatever it is. "Let us rewrite the Constitution." That is the kind of talk that comes along. You have put the case very eloquently and knowledgeably. Since you are part of the accord, you should go up there and help me sell it.

**Mr. Wildman:** I would be quite willing to go.

**Hon. Mr. Peterson:** You can join the accord too, Mr. Bernier. We are all in this together.

**Mr. Bernier:** We tried too.

**Hon. Mr. Peterson:** Mr. Wildman says it as it is. Those are the choices. The ramifications of not doing this are very serious for everyone concerned, so we have to deal with the reality as it is. The more cool voices we have explaining—I tell you, Mr. Wildman, we are going to have to explain it more than once.

**Mr. Wildman:** There is no question about that.

**Hon. Mr. Peterson:** This is hard enough for lawyers to understand, let alone laymen, so your point is well taken.

**Mr. Lane:** I would like to support Mr. Bernier and Mr. Wildman on what they have said about the fishing agreement. Mr. Pope and I had some very strong words at the time he tried to deal with it a few years ago. I have eight Indian reservations in my riding and up until that time we had a very good relationship between the whites and the Indians. The people at the Ministry of Natural Resources had worked with the native peoples and everybody was reasonably happy. Suddenly, we had a wedge driven in.

**Hon. Mr. Peterson:** Manitoulin has always struck me as a little island of sanity in the middle of the whole world, and all of a sudden it got zonked.

**Mr. Lane:** It was until that time.

I want to talk to you for a few minutes about the Chi-Cheemaun. That is the ferry boat that runs from Tobermory to God's country, which is Manitoulin Island.

**Hon. Mr. Peterson:** I know it well. You can feed the pigeons right out of the heel of your hand.

**Mr. Lane:** There have been persistent rumours that the rates will be increased again this year. As you know, for the last three years that our Progressive Conservative government was in power, the then Minister of Northern Affairs froze the rates and initiated some special rates for senior citizens and others using the boat to see the colours in the fall and so forth. I would like to know whether these rumours of further increases are correct.

**Hon. Mr. Peterson:** I do not know, but Mr. Tough tells me they have been frozen for the last two years. If I am wrong, tell me. How much have they lost?

**Mr. Tough:** They have lost a total of about \$1 million over the two years. The objective in freezing the rates, as I understand it, was to see whether freezing the rates would have an impact on the ridership. Unfortunately, there has not been a significant impact of that freeze on the ridership. Accordingly, the Ontario Northland Transportation Commission has decided it must increase the rates. Last year alone, it had about a \$750,000 loss on that line. They have come forward with a proposal to increase the rates on the ferry.

If the chairman will permit, one of the things discussed quite intensively is whether the fares determine the level of ridership or whether we should be working harder to establish more attractions on the island to make more people go there, stay and spend some more dollars. We have devoted a little attention and money to that issue and are quite prepared to look at that more aggressively in the future.

**Mr. Lane:** As far as I am concerned, the operating loss will not be resolved by raising the rates. Fewer people will use it. The boat is going to operate in any case. It will cost more and lose more. Also, it is going to damage the tourist business on Manitoulin Island. The ferry was not put in place in the first place to make money; it was put in place to provide a service, and it was hoped, to increase the tourist industry.

I put this to the Minister of Transportation and Communications (Mr. Fulton) when I was in his estimates. I think it is time we looked at making the ferry service from Tobermory to Manitoulin Island part of Highway 6. It is Highway 6 to Tobermory and it is Highway 6 after you get off the road at South Baymouth. If we make the ferry part of the highway service I think we will have resolved our problem.



**Hon. Mr. Peterson:** What are the fares now? I am curious.

**Mr. Lane:** I do not have them in front of me.

**Hon. Mr. Peterson:** Approximately.

**Mr. Lane:** People are shying away from it because of the rates.

**Hon. Mr. Peterson:** What are they doing? What is their choice?

**Mr. Lane:** They can drive around by Little Current. You can drive right around by Sudbury and Little Current.

**Hon. Mr. Peterson:** When you come down, do you drive?

**Mr. Lane:** No, it would take too long; I fly out of Sudbury.

**Hon. Mr. Peterson:** Let us say you lived in Mindemoya. To get to Toronto, what is the time difference between going south on the ferry and north through Sudbury?

**Mr. Lane:** It is a nice ride on the ferry boat but you can be here as fast if you drive around.

**Hon. Mr. Peterson:** It would be about the same time?

**Mr. Lane:** Yes it is about the same difference. There are a lot of people with families who like to take that trip because it is a nice trip. When I suggested this to the Minister of Transportation and Communications, the former Deputy Minister of Northern Affairs said, "If we did that, we could not possibly keep up with traffic, because the ferry boat could not possibly handle the traffic that would want to go that route." If he was correct, and I think he was, then how much traffic are we keeping away from Manitoulin Island? A study was done last year, paid for by your ministry, that said \$22 million should be spent on Manitoulin Island to increase the tourist industry. If that is the case, we are blocking it on the one hand and saying we should increase it on the other.

If we went that route and made the ferry part of Highway 6, we could put on a toll charge so it would not be wide open. It would not be a rate as far as the ferry goes but a toll charge on the ferry to keep the traffic down to a point we could handle. You could not simply drive up there and drive across and it would not cost you anything. At least the ferry would be running full steam, fully loaded all the time. We would be getting some money from it and improving the tourist industry on both sides of the pond. This is pretty important to Grey and Bruce counties as well.

**Hon. Mr. Peterson:** I just got an answer to my own question. An adult fare is \$7.35, a child fare

is \$3.70 and a vehicle fare is \$15.75. The information I am given is that they are substantially cheaper than comparable fares at Matane, Godbout and Quebec for running those distances. I would not have even thought about this if you had not raised it, frankly. I appreciate your drawing it to my attention, because when it comes to my attention now I will know how you feel about it. We can arrange with you to meet with the chairman of ONTC to make your points and explain the importance of the ferry. Obviously it is extremely important to Manitoulin.

**Mr. Lane:** We ourselves put them in a difficult position when we first started that service back in the early 1970s. We forgot about the capital cost but said, "Try to break even on the operating costs." That is what they have been trying to do but it is not serving the purpose it was put there to serve. It was put there to serve the people and to increase the tourist business, which it is not doing.

**1620**

**Hon. Mr. Peterson:** I remember when I was a kid going over on the SS Norisle. I slept on the ferry and went across. I thought I was going across the ocean. It was a big deal.

**Mr. Lane:** I thought I was too, sometimes, when I was at the rail heaving. It gets pretty rough.

**Hon. Mr. Peterson:** Come on, John, you can go more than three miles on the open water without getting sick, can you not?

**Mr. Lane:** Not on that old high Normac; it was pretty rough. There is one place there that can get just about as rough as the Atlantic Ocean does.

I wish we could look at that other potential, because I think it has to be changed. I do not see any future in trying to raise the rates to break even and lose tourists, especially when we are doing a study that costs \$60,000. Instead, we should have spent \$25 million to accommodate more tourists and then lock in the route for them to get there. I would be glad to talk to anybody and provide what I think is a proper summation of the situation as it is at present.

I have another question before I get away from the podium, if I can ask it. I am not a member of this committee. I have to get slotted in.

**Mr. Chairman:** You are always welcome, Mr. Lane.

**Hon. Mr. Peterson:** Just a minute; are you north of Parry Sound?

**Mr. Lane:** Yes.

**Mr. Bernier:** Marginally.

**Mr. Wildman:** From what?

**Mr. Lane:** I am a northerner.

**Mr. Lane:** I am sure you are aware of the shortage of anaesthetists at St. Joseph's General Hospital in Elliot Lake. The hospital board of directors prepared a brief on the situation that you people got last October. I understand the program says you are going to cut back in the coming year on places for anaesthetists in training.

**Hon. Mr. Peterson:** My understanding on that, and somebody will correct me if I am wrong, is that we have the problem solved. Two guys are going in. Help me out. One is in June and one in—

Interjection.

**Hon. Mr. Peterson:** We have two permanent ones moving into Elliot Lake.

**Mr. Lane:** I hope that works out.

**Hon. Mr. Peterson:** In the meantime, we are flying some up from Peterborough. Am I right?

**Mr. Tough:** From Toronto.

**Hon. Mr. Peterson:** We are solving it on a short-term basis. It looks like we have solved the long-term problem.

**Mr. Lane:** It has been a real thorn in the side of everybody up there because emergencies do happen. If you do not have an anaesthetist, you cannot perform surgery. It is a mining town and it has been a very great worry to us. In lieu of what you have planned not working out, I was going to suggest that the \$5,000 scholarship that students going to university get from your ministry if they will go for two years to northern Ontario perhaps could in some way be applied to help some of these doctors from other countries who have the training and who would and could go to northern Ontario, if they were allowed to and if they had the dollars to finish their training.

**Hon. Mr. Peterson:** You are talking about foreign-trained doctors?

**Mr. Lane:** Yes. I had one lady talk to me who was an anaesthetist in her own country for five years. She is here without an opportunity to work at this point and would be glad to go and live there.

**Hon. Mr. Peterson:** I appreciate what you are saying. This is a problem with which we have wrestled. On the one hand, you say, "Look at all these foreign-trained doctors standing around wasting all their talent." Some are specialists, but a lot of them are not, so it does not solve the specialist problem in northern Ontario, which is

more aggravated than the general practitioner problem. It also really affects the whole question of the number of doctors in the province. They go there for a couple of years and then they come back to areas that have too many doctors at the present time. This whole question of medical manpower and the distribution of it is a very serious problem.

I have speeches Larry Grossman made on this issue when he was Minister of Health, saying there was going to be a crisis when they had one doctor for 495 people and now there is one doctor for every 480 people; it is something like that. In other words, it is beyond the crisis point as he described it as Minister of Health. We are licensing some 1,400 doctors a year. Frankly, this problem of a surplus of professional people is a problem of the western world. There are too many lawyers and a number of others, relative to the size of the market.

I just thought I would tell you my problems since you are telling me your problems.

**Mr. Lane:** I can understand the problems in a way. It is difficult to provide a specialist for an area such as Elliot Lake with 20,000 people. The right way to resolve that problem is to encourage general practitioners to take specialist courses. That is the way to solve the problem, not only in Elliot Lake but in other towns in the north. You are never going to be able to afford to have some specialist sitting there reading a book and just working when there is going to be an operation or whatever. We have to integrate that with the general practitioner. It is good, extra money for them and it would serve the purpose well.

**Mr. Wildman:** Unfortunately, they cut back on their training.

**Hon. Mr. Peterson:** A specialist, of course, can do a general practitioner's work as well. He is a GP as well as a specialist.

**Mr. Lane:** That is the part I am concerned about.

**Mr. Wildman:** Unfortunately, they cut back on the training of GPs as anaesthetists, did they not? Funding for that has been cut back.

**Mr. Lane:** I understand it. That is the point I was trying to make.

Again, I would say that a lot of the doctors who go north do not come back. They like it up there and they stay. I am sure my colleagues can confirm that. Also, over the years, a lot of doctors from foreign countries have bailed us out when we needed somebody very badly, which we did in Sudbury in the cancer treatment centre. We got one from Australia and one from—



**Hon. Mr. Peterson:** You are right. There is no question about it. Of the 1,400 doctors we licensed last year, half of them were trained in Ontario, a quarter were trained outside of Ontario in Canada and a quarter were trained outside of Canada. There is an enormous number coming in. The truth is everybody wants to practise medicine in Ontario. It is a good place to practise medicine, in spite of the things—I do not want to go through that whole discussion again if I do not have to.

I have foreign doctors come into my constituency office in London and say, "If you just give me a chance;" and I feel terrible about it. It is a very serious personal problem. These are well-trained people from Russia or Poland and they are on mother's allowance, working in laboratories, giving free service. It really is a human tragedy. They tell me that in Russia you have to go and practise in the Gulag for a couple of years before you come back to Leningrad or Moscow. I suggested that to some of my friends in the Ontario Medical Association and they said, "That is exactly what you are doing to us." I do not use that analogy any more with them.

**Mr. Lane:** Nothing is ever easy, but I think if, in the long term, we are going to resolve the problem of specialists in northern Ontario, we are going to have to have a general practitioner who is a specialist in certain fields. That way, a general practitioner makes a little extra money and we are not paying the big price that goes with a specialist.

I want to mention several other things, but I know the time is short. I took offence at something the Premier said when he made his leadoff statement. He mentioned that this ministry was established a year ago. This ministry was established in 1977. You just changed the name a couple of times and added "mines" to it.

**Hon. Mr. Peterson:** Just once.

**Mr. Lane:** No, twice. You changed the name twice, but it is still the same ministry with "mines" tagged on to it.

It is sort of special to me because, as Mr. Wildman pointed out a while ago, I did the legwork on this ministry back in 1976.

**Hon. Mr. Peterson:** I appreciate that John. I did not mean to offend you, believe me.

**Mr. Lane:** I am not seriously offended. I just wanted to bring it to your attention.

**Hon. Mr. Peterson:** I do not want you mad at me, John, because I am kind of fond of you. It was my decision, personally, to put "development" on it to give it a little different focus. I

wanted that message to go down the system. The emphasis was on development of northern Ontario. It is a little more of an economic thrust than it had in the past. That is the message I want to go forward from the government throughout the entire ministry, because of our commitment to northern economic development.

**Mr. Lane:** It sounds like a good idea. When I was making the effort back in 1976 to get such a ministry for the north, I was not giving it a name particularly, as long as it was a ministry for northern Ontario.

**Hon. Mr. Peterson:** I remember that John.

**Mr. Lane:** "Development" suits me just fine.

**Hon. Mr. Peterson:** I acknowledge your contribution. I remember those debates.

**Mr. Lane:** I did not want you to say the ministry was just developed a year ago, because it has been a ministry for 10 years.

**Hon. Mr. Peterson:** I did not mean that, if I said it. I say a lot of things I have to retract.

**Mr. Gordon:** If I might add a supplementary to this doctor issue, I appreciate the Premier's comments with regard to the number of doctors who are up there at present, both trained in Ontario and those who come from other countries. I can also appreciate the Premier not wanting to bring in billing numbers and things like that or hold those kinds of things over the medical profession's head. I will save you saying it, but I am not going to put words into your mouth.

It seems to me that for us, either as a government or as opposition parties, to be content with saying, "Perhaps what we need are more GPs; we will try to find a way to give them a little extra skill and that will help to ameliorate and solve the problem in the north;" I think you would recognize that we have to find other ways. We need those specialists in the north. We need them in the bigger centres, such as Sudbury, the Sault, North Bay, Thunder Bay and Timmins, because those centres are the feeder centres. People come in from the smaller towns. They have an Ontario travel grant now. It means that if a doctor feels he wants to see that a person gets a speciality, he will send him to Sudbury in northeastern Ontario because it is the referral centre for the northeast and it is very important to our economy.

**1630**

It seems to me that if the government is reluctant to try to persuade the doctors in the manner some other jurisdictions might use, such as British Columbia or so forth, perhaps we



should be using our moneys with the medical schools in universities in the sense that those universities with medical schools will see that there is a definite internship program set up between the major hospitals in certain centres in northwestern and northeastern Ontario; in other words, the carrot approach. As Mr. Lane has pointed out, we have seen that when specialists come to the north a great many of them do stay. I know we bring up instances for you in the House about how, in a certain town or city, certain ones are leaving and therefore there is a problem, but generally, I think we can safely say that most of them stay.

I would like you as Minister of Northern Development and Mines—at the present time, anyway—perhaps to look at some of the carrots that could be used with the medical schools. A way has to be found, because it is one thing to say we have a surplus of doctors and we have to cut back on the number of doctors who are graduating, but if we still have the same problem in the north then we are not really advancing.

I might also suggest that I know you provide, through Dr. Copeman and the underserved areas program, additional funding for physicians to go into the north, but perhaps what we are going to have to do is to enrich those programs even more. Perhaps we are going to have to make it possible, if there are specialists in the north, for them to count on so many flights a year down to London, Ontario, or wherever it happens to be, to meet with their colleagues. Some people might say, "That is going to cost a lot of money" and so on, but you have to go back to the principle of equality of medical care in a province.

Those are some of the things I would like you to take under consideration. I would be interested in your comments.

**Hon. Mr. Peterson:** Look, those are constructive ideas, and I will run them down the system. I am not sure that the incentive works. As I understand it, it was \$40,000.

**Mr. Gordon:** Yes, a considerable amount.

**Hon. Mr. Peterson:** Not bad but it is still not enough to take some people there. The problem again is the size of the centre. Sudbury today is a very sophisticated medical centre. They have a lot of good services, a lot of peer support, a lot of research facilities. I do not know how many doctors are in town, but it is certainly not second-class. You compare that to Elliot Lake, which is a little smaller. Then you go to Ignace. In some of these small towns they are grateful to have a guy who is even a little bit trained, or a nurse. I agree completely with what you are

saying. The size of the population, in a sense, dictates the number of specialists you can handle.

Look, I am willing to try any creative idea. Ultimately, the question is, can you bind these people on personal indentures? If you give them this, will they stay? In a lot of cases, they go for a couple of years and then go.

I remember driving, I drove three hours in the middle of the night—I think the coldest night I have ever had in my life—to Ignace, Ontario, and they told me the two doctors were just leaving town. I guess it was a Chinese couple who were in the town. Am I right?

**Mr. Pierce:** Yes.

**Mr. Peterson:** They came to town for a couple of years and were very busy; it was on the Trans-Canada Highway—lots of logging, lots of car accidents. You really need good facilities there, trauma facilities and other things. They just left town. That problem has been solved. Ignace now has—

**Mr. Pierce:** Ignace is still up in the air where they have doctors from one day to the next. It is a continual problem in the small communities; there is no question about it.

**Hon. Mr. Peterson:** I will take your ideas back; I will discuss them with our ministry and the Minister of Health (Mr. Elston). It is a question I would love to solve. I certainly do not deny its importance at all.

**Mr. Pierce:** Added to that, some of the doctors practising in northern Ontario have expressed concern to me that the cutbacks in the number of doctors' seats available for training will eventually have an effect on the number of doctors going into northern Ontario. That just works by the natural equation of numbers. If you are putting out 5,000 doctors a year, maybe 0.5 per cent of those will go north. If you are putting out 2,500, 0.5 per cent of those will go north and that makes that many fewer doctors who are prepared to move.

**Hon. Mr. Peterson:** In fairness, I cannot take that approach, because you spend billions to get a little, wee tiny result. Perhaps the carrot is not good enough. Why not ask the medical schools to give X spaces to people who commit to go to the north? Then you have the question of personal contracts; are they enforceable, what if they do not go? The kid is in third-year medical school, he decides he wants to be a plastic surgeon and he cannot get a job; there is no room for one in X community. It is a hard thing.

Some people say: "Gamble on northern kids. The odds are northern kids will come back and

practise medicine." That is probably a better bet than a southern kid.

I met a lot of doctors a little while ago. I travelled the province. Everywhere I went, I attracted doctors. They were quite fond of me, I guess. It is amazing the number of southern doctors I met in northern communities who came out to give me heck. They reminded me of their southern roots. These are guys I went to university with.

**Mr. Gordon:** They wanted to see a fellow southerner.

**Hon. Mr. Peterson:** Constructive ideas. George, Let us go back at it with the Ministry of Health and see if we can take some of these ideas back.

**Mr. Pierce:** Your suggestion about offering more internships in northern Ontario has a lot of merit. What you really have to do is identify a doctor in an individual hospital who is prepared to take on that extra role in the hospital, to provide the necessary backup to promoting the intern. The program has been successful in the past and I think an expansion of it could prove successful in the future.

I want to go back to the history of the native fishing agreements. When I first came on the scene, what was happening with native fishing agreements is that there was a group being formed out of Red Lake by the Red Lake District Chamber of Commerce. It met in Dryden, had a founding meeting in Sioux Narrows and then entertained the first native fishing agreement meeting with the negotiators in Kenora.

At that presentation, there were approximately 150 to 200 people. The provincial negotiator put on two shows. One showed Mr. Kerrio explaining what the provincial position was with respect to native fishing agreements and where they thought the province was going. The other one was a video of the Attorney General and minister responsible for native affairs.

Those two films were shown and then Mr. Stewart explained where he was with the negotiations and the fact that Ontario had not responded to the paper that was tabled by Treaty 3. Mr. Watson was there and he explained in some detail what the responses were of the federal government, but he was not at liberty to table the full paper. That becomes the responsibility of the minister.

The next show took place in Fort Frances, where approximately 350 to 400 people attended. The road show consisted of only one video now; that of Mr. Scott, not Mr. Kerrio. Mr. Watson was not available but Mr. Stewart was.

He again provided information with the overheads on what the provincial process was with respect to native fishing agreements.

I guess it became evident at that meeting in Fort Frances that the whole thing was developing into a racist type of forum. There were a number of comments made in Fort Frances that I do not want to be any part of. There were also comments made by some of the Indian leaders. Chief Willy Wilson got up and said how pleased he was to see how disorganized the non-natives were. In fact, he could see his side winning hands down because the non-native group was so unorganized.

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The road show then went to Dryden, and there were no videos: neither the video of Mr. Scott nor the video of Mr. Kerrio was shown in Dryden. I questioned Mr. Stewart in private as to why the show was not put on in Dryden. His comment was that he did have the films with him but there was no screen available, so the film was not shown. I think there was a reason the film was not shown.

Interjection.

**Mr. Pierce:** I think two things are quite evident in the films; that is, both in Mr. Kerrio's and Mr. Scott's portions of the video, they have two large Indian artefacts in their offices, one in the form of a statue and the other in the form of a painting. You have to remember this show is now being put on and a major portion of the crowd is non-native. They see that as being something opposite to what they see as somebody being out there negotiating on my behalf, particularly with that kind of display on the videos. I do not know whether the videos will be shown in Rainy River. I assume the videos have been taken away from the road show.

**Mr. Wildman:** I suppose if you had a piece of French art in your office that would mean you were pro-French in this international cod dispute.

**Mr. Pierce:** That is right. You said you were seeing this thing from a distance. I have been at three meetings now; in Kenora, Fort Frances and Dryden. I see them getting stronger and stronger and I see people getting more vocal at them. You really want to attend a couple of them to find out what is going on.

I have talked to some of the press in northwestern Ontario. They are playing down what they actually see taking place, because the feedback is that it is now into the school grounds, the natives and non-natives in the school grounds are arguing about who has the right to what. I can



tell you—and I am sure you can appreciate this—that was never the intention in developing an open forum to the process of negotiations on native fishing rights or any other rights, whether bound by the Constitution, treaty, signed agreement or word of mouth.

I will be going to the meeting in Rainy River tomorrow. I can only hope more information comes out of the meeting than has been coming out in the past, because it has become a forum for people to come up and voice their own personal opinions of where they see these things going.

The other thing that is important is that the Tourism Northwest group or now the Heritage Northwest group—I believe it has changed its name—has asked for funding to be represented at the negotiating table because it is taking in a broader sector of the population. The first response to that request is that there is no place at the negotiating table for anybody other than the three parties already involved: the federal representation, the provincial representation and the native representation. There is no mechanism available to provide any funding, even if there was recognition, for a fourth party.

As the road show progressed from one community to another community, the response came back: "We are now prepared maybe to recognize your group but we still do not have any mechanism for funding. There just is not any hope in getting funding for your group."

The third response, which was in Dryden, was, "We recognize your group and are now prepared to provide some funding." But all the time this thing is festering and festering and this group is getting more recognition. The louder they get, the noisier they get, the more recognition they get from the government. The government has said, in three cases: "We will recognize your group, we will recognize your group with funding and we will provide an audience for you to be part of the process of negotiations through the development council."

I can only say this group is not going to be stopped. They are on a mission. Their mission is going to continue across the province. They indicated in Dryden that they had something like six more communities, which took them right down to Chatham, and those were on their schedule. I do not know whether they have changed that schedule since your meeting yesterday in Dryden or whether they are going to continue to pursue it.

There have been some strong requests out of Winnipeg because Treaty 3 extends into Manitoba and involves a number of camp owners on

Shoal Lake. Of course, the city of Winnipeg gets its water from Shoal Lake as well, so there is a large, vocal group out there that wants this group to come into Manitoba and get some recognition there.

I really do not know where they are going with it, but I know they have a mission. There is a big demand for their appearance, and to bring their show with them. As Mr. Bernier brought out and as Mr. Tough has indicated, you are very reluctant, beyond Rainy River, to send any provincial representation in the form of a negotiator to any more of these meetings. I would have to think you would be very reluctant to send one into Manitoba, but that is up to you.

The request from the group members still stands, as I understand it; they want representation at the table. My understanding is that they would take that representation in legal counsel. They would provide an umbrella group within their own groups and would engage legal counsel, who would sit at the table; but they require funding. I can say only that from my view in watching what is taking place, that is the bottom line with that group.

As I have said, they have gone through three stages where they have been turned down and, each time they go back they get something else. They get more of a carrot each time and they are not going to be happy until they get the whole carrot. I leave that with you. It is a problem that we do not want to see develop, as has been indicated by other members of this committee.

The relationship between the native Indian community and the non-native community in northwestern Ontario is second to none. People in northwestern Ontario have grown up with and in conjunction with the natives. We have lived with them, we have worked with them and we have fought with them, and that will continue to go on. What I see happening now is that there is a bigger wedge being driven between the Indian community and the non-Indian community, and that is certainly not what we want to see happen in northwestern Ontario.

In your role as the Premier and certainly in your role as the Minister of Northern Development and Mines, I think in fairness you have to get somebody out there. Somebody in government has to be available at some of these meetings to explain what is going on.

I have to give Al Stewart bouquets for being able to stand up under the pressure that he has been under and present the province's position and what he feels is in the best interest of the



province. It has not been an easy task, and he has done a fantastic job. I congratulate him for that.

There have been a number of requests at the individual meetings: "Where are the ministers? Why do we not see somebody from government? Why do we have to talk to the civil servants? Why are you bringing us the message? What happened to all those guys who were supposed to come around and tell us what is going on?"

I will just give you that for your information, and you can take it and do what you like with it.

**Hon. Mr. Peterson:** I appreciate what you are telling me and I know you are experiencing these things personally. Let me just make the assurances to you that there will be funding. We have developed a mechanism that we think will allow for full consultation. There is no hidden agenda. There is nothing secret about this situation. We do not have anything nefarious in mind, but there are certain realities of the situation.

I think Bud Wildman put them better, in a succinct way, than anybody I have heard. It is a legal situation, which can be resolved in the courts or through consultation. If it is resolved in the courts who knows what will happen, I think it is in everybody's best interests to proceed the way we are.

That being said, I am not saying we cannot do it better and I hope that you personally will be helpful in this matter. You know these are difficult situations, and I hope this is one of those situations where partisanship does not come into play. I recognize that these are fragile situations and I have seen them before. I have seen a lot of them around. I have seen racial issues, linguistic issues, cultural issues, French versus English, Indian versus white or Catholic versus Protestant. We go through those a lot and I do not think there is a politician who would not agree with me that those are probably the toughest issues to face. I have seen them a lot.

I have seen statesmen on the issue and I have seen people who I think are less than statesman-like on these issues, subtly encouraging things; not overtly, because nobody leaves fingerprints. We are all too clever for that. They subtly encourage these kinds of things. I have seen some really quality people in this business in all parties trying to build real bridges of understanding and, frankly, I have seen some people I consider to be of less quality in all three parties take an opposite approach.

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Jack, I am going to need your help on this. I need Leo's help and I need Bud's help. I need everybody's help on this one. I can assure you we

are prepared to do our thing in this matter. Maybe we have to take some of the steam out.

**Mr. Gordon:** We will all take cabinet posts.

**Hon. Mr. Peterson:** If you regard it as a partisan issue, I think you are missing it on this one. I really believe there are different kinds of issues in this business. You have different positions on this, that or the other thing. You go and fight about pension rights. You have different positions on God knows what, but I think on these issues it distinguishes the quality of the human being, the quality of the leadership and the quality of the politician who does not let these things become partisan, personal or racist.

I have seen all types of it in my 10 years around here; I will not make a long speech about it. It is an issue I am going to need your help on, Jack. I am not disagreeing with the things you are saying. I think it is tragic that people would respond just because some guy has an Indian artefact in his office. I suspect there is not one of us who does not have a soapstone sculpture somewhere.

Sure, you have been making speeches on what everyone else has—probably not you, Floyd, your speeches are not that good—but the rest of us own some Indian art. I have some at my home and at my office and I am proud to have it and lots of other stuff, too. Certainly that should not spawn some sort of emotional reaction, but I guess that speaks to the volatility and tenderness of the situation. Perhaps we should be using an all-party group to put our position forward.

Again I say to you there will be funding. I hope you will take the message out. There is no secret agenda. When you explain the legal realities of the situation under the Constitution, they will believe you. If you say: "This is the situation. Now we can sit down and ask how we work this whole thing out." I think people will listen to people like you and Bud and all of us on this matter.

**Mr. Pierce:** Certainly, part of the show and part of the information package that was handed out in Fort Frances were copies of the Constitution, and those comments were made as well by Al Stewart. There are some things in the Constitution that do not necessarily blend with what everybody would like to have happen.

I am sure there was a feeling within the groups that were there and the numbers of people who were there that we want to see this thing settled. We want to see it settled as quickly as possible. We want to get it off our back. We want equality for everybody in the province. We want to be, first of all, Canadians; we want to be Ontarians

and we want to be residents of Fort Frances or of Dryden. That is the priority we want to establish. We do not want to have special interest groups. We do not want to have somebody out there who has more rights than we have.

I believe they also recognize that if we use the court process there are going to be some big losers, and they are not prepared to gamble that either.

**Hon. Mr. Peterson:** Nobody is less equal in this situation. I do not see it that way. I understand the emotive power of a speech in that regard, but I do not think it is that kind of a situation. It is a recognition of the legal realities and, as you say, the consequences of court action in this matter are going to create some big losers. I think, Jack, if you are prepared to stand up and explain it that way, people would understand. You can help us, you can help your community and you can help this province by explaining those realities.

Push us on ways you think we should consult better and more effectively, and who should be funded. That is all fair pool, but when you stand up and say, "Here are the realities, here is the legal situation;" if you do not like the Constitution, frankly, there is nothing you or I can do about that, Jack. What do we do? Stand there and blame Pierre Trudeau for it? Blame Bill Davis for it? I do not know. That is not going to get the baby new shoes.

**Mr. Pierce:** That is right.

**Hon. Mr. Peterson:** Let us just say that is the law of the land.

There are some rude adjustments for a lot of people under the Charter of Rights and the new Constitution. Lots of things are happening that a lot of people did not anticipate. Equality is tough stuff to sell. Everybody is in favour of equality until it affects them somehow or other. If you can help us in that regard, I would be extremely grateful. Obviously, we will be watching these meetings very closely and monitoring them, and the constructive role that you and Leo play can be very helpful.

**Mr. Pierce:** We are certainly trying to help the situation develop to the point where everybody gets representation and these meetings do not get out of hand. Our comments at the meetings, for your benefit, Premier, are that we believe the process of negotiation is the only process and it has to be dealt with. We are not out there exciting the troops; we are not out there trying to get activists going. We are trying to bring the thing to a rest so that we can get into the process of negotiations and bring it to a final end.

**Mr. Wildman:** I would like to look for a moment at page 11 in the briefing notes, at vote 2401.

**Hon. Mr. Peterson:** I thought you were going to talk about Kimberly-Clark?

**Mr. Wildman:** I can talk about that in a little while if you would like, but right now I would like to look at some of the spending here.

I see the figures on item 2, analysis and planning, show an increase of \$273,700. Then on item 3, information services, there is an increase of \$101,600. I have not checked the supplementaries on those two items, but I would like to have a question answered about that and then raise a couple of matters under the analysis and planning and information services categories.

Can you tell us the components of the increases, what that money is being spent on?

**Hon. Mr. Peterson:** My good friend and faithful deputy will answer that question.

**Mr. Tough:** Mr. Wildman, are you talking about the financial summary on information services?

**Mr. Wildman:** First, analysis and planning, vote 2401, item 2, which has increased by \$273,700; and information services, item 3, has increased by \$101,600.

**Mr. Tough:** I can get another official to help me out on this, but my impression is that it is in-year salary increases.

**Mr. Wildman:** Okay. You have not increased staff?

**Mr. Tough:** Not as far as I know. Is that correct?

Mr. Chairman, this is Mr. Vrancart, the executive director of the planning and administration division.

**Mr. Vrancart:** First, on the analysis and planning activity, a number of changes took place during the year. There were salary awards totalling \$58,700 and there was a transfer, as well, from the main office activity of \$102,000, and an acquisition of computer equipment for a total of \$56,000. At the same time there was a transfer out of this activity to another activity which would be a decrease of \$63,800.

**Mr. Wildman:** What was that?

**Mr. Vrancart:** That was a transfer to vote 2401, item 5, which is financial and administrative services.

**Mr. Wildman:** But it was mainly those transfers and salary differences?



**Mr. Vrancart:** It was salary differences and internal transfers between activities within this vote.

**Mr. Wildman:** Okay. Could I ask whether the funding for the Conference on Northern Competitiveness held in the Sault would come under either of those votes or would it come under another vote under 2401?

1700

**Mr. Tough:** That is the northern development fund.

**Mr. Wildman:** Or is that out of the Ministry of Industry, Trade and Technology?

**Mr. Tough:** We have an item in our estimates on the northern development fund. That activity and others that we could talk about come out of the northern development fund.

**Mr. Wildman:** Okay. In that regard, I tabled a written question, number 451, in November requesting the names of the firms contracted to organize the conference and how much was paid to each and for what services and asking if I could get a summary of the expenses incurred in the hosting of the conference.

I received an interim answer in December in which it was stated that the information, including invoices and expenses, required to answer were not yet available and that they would be available by the end of the fiscal year. I would hope they would be available by the end of the fiscal year. Are those available now?

**Mr. Vrancart:** Those expenditures would have been incurred by the Ministry of Industry, Trade and Technology. Those expenditures are a recovery against the northern development fund which is within the estimates of the Ministry of Northern Development and Mines. Until they actually recover those funds from us this ministry is not in a position to be able to answer that question. Perhaps the question would be directed more properly to the Minister of Industry, Trade and Technology (Mr. O'Neil).

**Mr. Wildman:** All right.

**Hon. Mr. Peterson:** In fairness to Mr. Wildman, let us phone those guys and find out what they think the prices are. Find out what you can. We will tell you tomorrow. Will you do that? Try to find out.

**Mr. Vrancart:** Okay.

**Mr. Wildman:** Thank you.

**Hon. Mr. Peterson:** If there are any problems, blame Industry, Trade and Technology. Those guys make a few mistakes. Northern Development and Mines never makes any.

**Mr. Wildman:** Do you have a firm figure on how much this ministry pays for analysis and planning, for consultants' services. How much money from the public purse are we paying private consultants—I will not emphasize the fact that most of them are from Toronto and southern Ontario—to do studies on possible development in northern Ontario?

**Mr. Tough:** I am not sure we have that line broken out that finely. I believe it is in the services line, under analysis and planning. Again, if the Premier is in agreement, we can do what we can. Before these estimates conclude, we will get you what we can on that.

**Hon. Mr. Peterson:** You will get answers to all these questions.

**Mr. Wildman:** Maybe you can clarify this for me. Would the funding for those kinds of studies come out of this line here in your estimate or would it come out of vote 2402, northern economic development?

**Mr. Tough:** I think both. You will find across the ministry the various elements of the ministry commission consultants' studies or fund consultants' studies by communities or other entities like that. You will find them both in analysis and planning, which is in 2401 and 2402, and in the other segments as well. Again, if it is helpful to you, we can try to break those down in terms of the amounts that we have broken out for consultants' services particularly.

**Mr. Wildman:** Good. Thank you. I would appreciate that.

In regard to one of the studies that was done, perhaps the funds did not come from your ministry; they may have come from the Ministry of Energy. That is the famous—or should I say infamous?—study on gasoline prices in northern Ontario. That was a rather interesting exercise. First, can you answer whether that was paid for by the Ministry of Energy or the Ministry of Northern Development and Mines?

**Mr. Tough:** Energy.

**Mr. Wildman:** Was that an in-house study? Did they use their own staff, or did they hire an outside consultant?

**Dr. Stevenson:** I believe it was internal. I do not think they retained a consultant. I think they used their own forces, but I would have to check that.

**Mr. Wildman:** To be frank, I am not sure whether I am happy to hear that or not. I am happy in the sense that we did not spend extra money to pay a private consultant for such a lousy study; but then again it was a lousy study,



which tells us something about the capability of the Ministry of Energy.

All that study indicated to us was that we pay higher prices in the north. Any member of this committee who is from northern Ontario could have told the Legislature and the government that before we started; indeed, we pay higher prices for gasoline and oil. They said the reasons for that were that we had a smaller population, our population is sparse and spread out over long distances, we have less volume of sales as a result and we have less competition. Those are very profound findings.

Most of us knew those facts before we started, yet it took months for this study to be done. When it was completed, there were no recommendations as to what to do about the situation. My question really is this: where do we go from here? We have this very effective study that tells us we pay more for gasoline in the north, we have a smaller population and longer distances, we have less volume of sales and less competition and therefore we pay more. Now what?

**Mr. Tough:** Obviously, my minister will have something to say. I think members are aware that subsequent to that study there was a series of discussions in northern Ontario centres.

**Mr. Wildman:** I wanted to be charitable; I did not want to raise those.

**Mr. Tough:** There were some conclusions that were put at those sessions. In turn, as the member says, some views about what might be done about it came out of those sessions.

**Mr. Wildman:** There were some suggestions of what to do with the study too at those sessions.

**Mr. Tough:** I am sure there were.

Since then, following the Premier's raising the question in the public domain, we have had further discussions with northern development councils about that issue, as I think he mentioned at the last meeting. We have had discussions about not only the gasoline price issue but also whether the kinds of remedies that were proposed in the Advisory Committee on Resource Dependent Communities in Northern Ontario were appropriate in the circumstances as they now seem to be in northern Ontario. It was a question we put to the councils.

Perhaps one of the most challenging issues, and I think members would concur, is that there is a much larger disparity between prices within northern Ontario than there is between the north and the south. In fact, on the day the northern development councils met with Mr. Fontaine on this issue, there was a disparity of seven cents a

litre between gas prices in Red Rock and Nipigon. They are 10 miles apart, and the price in Nipigon was lower than in Toronto on that day.

I know the member does not mean to suggest it is a simple issue; it is a very difficult issue to deal with as between communities in the north. We put the issue to the councils and they are chewing on it. Obviously, they will have some proposals coming back.

The other proposal the Premier asked us to put to the councils was whether, in the light of the recommendation in the Rosehart committee—and according to the Ministry of Energy it would cost about \$70 million a year to bring down prices in northern Ontario to the average of southern Ontario—there was a better way than that to spend money in northern Ontario. It was just a question we put to the councils and they are thinking about that kind of issue. We also asked them to think about what one might do about the disparity between communities in northern Ontario, as much as the situation has revealed itself to be quite serious.

There has been some movement on that issue. We know Mr. Wildman is impatient that there has not been enough, but we are trying to focus on what the real problem is and what might be done about it.

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**Mr. Wildman:** If the northern development councils are looking into this issue, as the Premier indicated and as Mr. Tough has just reiterated, have they looked at the Nova Scotia situation? I do not think the Ministry of Energy study people did, at least not in any detail. They tried to argue in those meetings subsequent to the publishing of their study that we should not look at Nova Scotia, since the equivalent of the Ontario Energy Board in Nova Scotia does regulate or has the right to regulate retail gasoline prices. They tried to compare the cost of gasoline in Sydney, Nova Scotia, and Cape Breton to northern Ontario, which I said in my view was kind of silly.

What they should be doing is comparing the price of gasoline in Sydney, Nova Scotia, to Halifax or Dartmouth and seeing whether the regulation of price does even out prices within the province. I do not think it really was relevant to argue that the prices in Sydney were higher than in Sudbury because I do not think that really had any relevance. I would like to know whether the development councils are looking at the system that is used in Nova Scotia to see if it might be a helpful one in trying to deal with what

are generally higher prices in small northern communities than in southern Ontario.

**Mr. Tough:** We did discuss that with the councils. I think the purpose in the Ministry of Energy's discussing the Nova Scotia situation was under the assumption that one of the objectives of the whole exercise was to achieve lower prices in northern Ontario. What the Ministry of Energy and some others of us have discovered—and I am sure Mr. Wildman is aware of this—is that Nova Scotia has higher prices than just about any other province in Canada. It is not axiomatic that, if you have a regulated system, you can achieve lower prices than you can at present.

**Mr. Wildman:** I understand that, but you are not dealing with the suggestion I make that we compare between Halifax and Dartmouth or Halifax and Antigonish.

**Hon. Mr. Peterson:** But even if you achieved that, is the object to make everybody in the province pay the highest level just so you can run around and say it is the same?

**Mr. Wildman:** No. There was a study a few years ago that indicated if gasoline were regulated in such a way to try to equalize the price, it was suggested it would cost perhaps one to two cents more a litre in southern Ontario in order to bring the price down 10 cents a litre in the north.

**Hon. Mr. Peterson:** If you did the straight mathematics on volumes used the answer would be yes, but that is not the issue. As I understand all the studies of the Nova Scotia system, they pay more than they would in an unregulated system because it is not sensitive to the market forces; the market in this sense works better.

Let me just tell you the situation we are in. You could end up equalizing at the higher price or an even higher price than now. Everybody could run around and say, "We are paying the same in Sioux Lookout as we are in Toronto," but the point is we might be paying 60 cents a litre. Who wins on that one? There is no sense in evening out at the highest prices. All the evidence shows it tends not to work. If you look at the major accelerator in your economy today, it is the regulated prices that are outstripping the market prices that are the chief push on inflation.

I am all in favour of regulation if it works. I am not an ideologue about this situation. I guess the conclusion of a lot of thoughtful people—and as I have been briefed on these Nova Scotia studies and I am not an authority—is that it does not work.

**Mr. Wildman:** I will not get into a long

discussion of regulation. We have had that in the House.

**Hon. Mr. Peterson:** The people who gain are the gas companies. Why should we be putting the stuff in the hands of the gas companies?

**Mr. Wildman:** The point is, unless we do something about the costs of transportation in northern Ontario—and I do not think deregulation is the way to do it—we are going to remain uncompetitive and that is going to make it difficult for us to bring about the other kind of developments we want.

I would like to move on to two other matters and then I will relinquish the floor, because I know other members want to raise issues. One deals with regulation, a different type of regulation. As I understand it, the Ministry of Municipal Affairs is attempting to find a way of having the Ontario Building Code applied in unorganized communities in northern Ontario.

Ever since the building code and the Ontario fire code were passed, government has tended to look the other way at the fact that those codes were not in any way enforced in unorganized communities, partly because people tend to build their own homes in those communities, but mainly because there is no municipal structure so there is no municipal staff and nobody to do the work.

As I understand it, either the Ministry of Municipal Affairs or the Ministry of Housing—I am not sure which—is attempting to find some mechanism for having the codes apply and be enforced in unorganized areas. I think one of the things they are proposing is that in those parts of northern Ontario outside of municipalities that are within the jurisdiction of planning boards, perhaps the planning boards could be made responsible for enforcing these codes. This would be a significant change in the role of the planning board.

As I understand it, they sent out their discussion paper—I think that is the stage it is at—to a number of the planning boards in northern Ontario. When I found that out, I checked with all of the planning boards that have unorganized areas within their jurisdiction to find out what their views were. I found a lot of them had not received the discussion paper and did not know what I was talking about. Of those that had, there were differences of view. Some said, "No, we do not want to get into this. We do not see this as part of our role," and others were so concerned about lack of controls that they said they were prepared to look at ways of taking it on. I know this is probably a long way from any legislative change,



but I would like to know what input this ministry has had, if any, into the change to ensure the application of the building code.

In terms of the fire code, we have a similar problem. I apologize for my outburst in the House yesterday. The response of the Solicitor General (Mr. Keyes) to these issues is a little more than supercilious. It probably relates to the fact that he does not understand the situation in northern Ontario and he does not know the situation we have.

There is nobody trained, or very few if any, to do proper fire inspections in unorganized areas. The fire teams that have been set up are very good people. They are volunteers. They set aside their time to try and protect their communities, neighbours, property and lives. They do not have the training to do inspections of woodstoves that people are installing in their homes because they are switching to wood. They do not have the proper training in firefighting. They do not have the training on fire trucks, they do not have the training with the pumps and they do not have the training in emergency situations.

The minister gave me his own figures which indicated that last year there was only one tenth of the number of hours of training that the fire marshal's office believes is necessary for the 98 firefighting teams in northern Ontario in unorganized communities and 28 of those 98 received no training at all.

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The reason I got so angry yesterday was because the minister, in his response, got up and said, "We are doing all the training we can and we hope to do more," and sat down. He did not deal with the fact that there are teams of volunteer firefighters, people who I respect a great deal because of their dedication to the community, who are going into very dangerous situations with little or no training. They are dangerous to themselves and they are dangerous to the people they are trying to protect. I think that is an unacceptable situation.

As I understand it, there is a proposal before Management Board of Cabinet for an increase of 19 in the staff of the Ontario fire marshal's office and a significant increase in funding so that they can start to provide something like the need for training. Why the minister, in his response, did not say, "We are trying to get more funds and staff," I do not know. Perhaps he was unaware of it. He should not have been if he was.

I would like to know what input this ministry has had in trying to get this proposal through Management Board, so we can start to do the

kind of training that is required to ensure that the people living in the unorganized communities get the protection they require; and, particularly, that the people who are volunteering to help their communities are given the training that will give them the expertise to protect themselves and the general public when they come into these very dangerous emergency situations.

**Hon. Mr. Peterson:** I must say I always find it curious that you guys know better than I what is up before Management Board of Cabinet. I just pass it on as an aside.

**Mr. Wildman:** I am just a good friend of all the bureaucrats.

**Hon. Mr. Peterson:** Mr. Tough knows more about this than I. You raise two issues. I have never heard of that issue on the planning boards with respect to unorganized townships. Does anybody here know anything about it? I have never heard of it. Is this your own idea?

**Mr. Wildman:** No. I have a copy of the study, the issue paper, but I do not have it with me.

**Hon. Mr. Peterson:** Who did it?

**Mr. Wildman:** It was either the Ministry of Housing or the Ministry of Municipal Affairs.

**Hon. Mr. Peterson:** I have never heard of it. Mr. Tough can talk about the training issue.

**Mr. Tough:** Are you referring to the fire teams that we sponsor with the assistance of the Solicitor General?

**Mr. Wildman:** Yes.

**Mr. Tough:** We have been looking very closely at that. It has been pointed out, particularly by Don Cameron in the northwest, that this was one of our Achilles' heels. We have some hardware installed there and we need the training upgraded. A long time ago, we approached the Solicitor General to ensure that we had the training facilities there, and we are supporting it very strongly. I cannot acknowledge that there is something before Management Board, but if there were we would be supporting that report very strongly.

**Mr. Wildman:** I am glad to hear that. In terms of the actual training, the Solicitor General's own figures show that the numbers of volunteers involved in unorganized communities should have about 4,700 hours of training a year. Last year they got 474 hours, about a tenth of what they are supposed to get, because the staff is not available to do it and there are not enough funds to do it.

**Mr. Tough:** We are supporting it.



**Mr. Wildman:** I have some other issues to raise, but I would like to give up the floor so other members can participate.

**The Acting Chairman (Mr. McGuigan):** I will give the floor to your colleague Mr. Morin-Strom.

**Mr. Morin-Strom:** I have a couple of issues. One in particular has to do with this technology fund.

I am a very strong proponent that developing the economy of an area requires people with ideas, requires investment up front in research and development and the needed technology that would put us in the forefront. It is an area that you have tried to stress over the last year with the commitment to the technology fund.

I am concerned that northern Ontario is not going to get a fair share of that fund. I am particularly concerned about the criteria for the centres of excellence, as they were called. Fundamentally, what got me on that was that the main criterion was to build on strength; areas that were already strong research centres would receive more.

It seems to me that the emphasis should have been on need and opportunity, particularly when you talk about northern Ontario. Certainly in terms of any region in the province, there is no area that needs economic development more than northern Ontario. I really believe the opportunity is there to do things in terms of developing our resource base further if we put some investments into the development of technology, which would help us to put more value added into the resource product we are taking out of the north and hopefully put more jobs into the product, instead of sending it out in raw material form and have it come back to us in consumer goods, or back to southern Ontario as consumer goods if it is going to the US.

What are the chances one or more of the centres will go to northern Ontario? How will the north share in that technology initiative?

**Hon. Mr. Peterson:** I will respond in general terms first and then be more specific later. Probably you and I have just a wee bit of a difference in philosophy on this matter. All of us recognize the necessity and benefits of technology. Fundamentally, I agree with the points you made. The single, most important ingredient is the people. You can have all the money in the world, but if you do not have the guys to work, it does not matter. You can have all the machines in the world—to illustrate my point, you should hear the things that some of the people in business are telling us today, for instance, in the auto parts

business. They say the worker they need on the floor in a classical sense would be almost a trained engineer. You have to know so many things today and one trained worker supports a whole bunch of other untrained workers. The degree of sophistication they need is unbelievable today with all these strange and wonderful machines. It is not just unskilled people they are looking for.

People are what make it all happen. We believe we have to be there. You know the figures on what Ontario and Canada do in terms of research and development vis-à-vis our trading partners. We are not going to spend all that fund this year by any stretch of the imagination. Our venture is a long-term commitment because we want to make good strategic investments. This is not a regional development program. We have other regional development programs. We always have an eye to those things, but that is not the primary focus of this fund. We have northern development funds and a whole bunch of other things that do those things.

What we are saying is that we believe Ontario has to be the best in the world in certain areas. Now you would argue we could do that in northern Ontario. I would say that you cannot create these things out of thin air. If it is a question of building the critical mass of brains, money, ideas, the right chemistry and all that kind of thing, I do not think you can just say, "We are going to do that tomorrow in Ear Falls." It does not happen that way. Silicon Valley did not happen by accident.

**Mr. Morin-Strom:** Route 128.

**Hon. Mr. Peterson:** Route 128 out of Boston did not just happen. Kanata in our own Ottawa Valley did not happen by accident. It is the cross-fertilization, the interface and synergy between the private and public sectors and all that good stuff you know about.

I think there are some very distinct natural strengths in northern Ontario. We have already started to build on these. We did not create them, but as to things at the Lakehead in forestry and things in Sudbury in mining, we made those choices. They were conscious. We have put a lot of dough into it using the university, the private sector, the geological surveys, the wire rope testers and God knows what else.

**1730**

My ambition is that some time—I do not know when; it might be long after I am gone—people will think "Sudbury" and think "the best mining place in the world." They will send their kids there to school to learn all about it. They would

take lectures and all this kind of stuff. There is a commercial application to this. We are not just into basic research; we are into stuff that has a commercial application. Jobs come out of it.

The same thing goes for the Lakehead. You do not do it in one day. It takes tremendous dedication to cause, singlemindedness of purpose and constant funding. You have to attract the best people and the best people attract the other people. It is sort of like doctors' problems. Doctors do not want to be the only doctor in town; they want another doctor to talk to, to share their ideas with.

That is our plan. As I said, we are doing a number of things with that fund. We are not going to spend it all. We just saved ourselves \$17.5 million. We are going to be putting that into the centres of excellence. We are inviting proposals. There are joint ventures or consortiums of universities, the private sector and a variety of others to put those things together. Those things will be vetted by independent committees of peer review, people we think are very knowledgeable and all that kind of stuff. I think we said we are going to have six of them; pick six of them this year.

**Mr. Morin-Strom:** Up to six.

**Hon. Mr. Peterson:** Up to six, depending on the quality. It is a long-term commitment in terms of funding. These are not picayune projects; they are big projects, relatively speaking. We hope they will create a resurgence and a premium on quality, on the best in the world.

I am going to try to be sensitive to regional concerns. As I understand it, Laurentian and the Lakehead are into the play. I do not know whether they will be chosen or not. I cannot guarantee you they will be chosen because the primary concern is quality and a lot of other criteria that you know about. That is why we are there. There are many other programs we have. Some of that money is going to be used on technological transfer, updating plant and equipment and a lot of other things. Again, I advise you, do not expect instant results on this thing. It is going to take long-term dedication and commitment by successive governments to win this war. I guess that does not satisfy you, but that is my answer.

**Mr. Morin-Strom:** I have some real concerns about that direction in northern Ontario.

**Hon. Mr. Peterson:** I am not surprised.

**Mr. Morin-Strom:** You are saying we do not have the base to work on there and your focus is very heavily academic, while in terms of the

industrial base there we obviously are competitive. Northern Ontario is very strong in the forest sector and the mining sector.

**Hon. Mr. Peterson:** I did not say that. I said there are proposals coming in and they are coming in from Lakehead. I talked about Lakehead and the forestry industry and Sudbury and the mining industry. We have some strong bases there, and they may well have them in those areas.

We are not inviting just universities. It does not have to take place in a university; it can take place in an industrial location or in a variety of locations. It is industry as well as academia, or forget the academia. In other words, we are interested in imaginative proposals. For example, if it came to the conclusion that Algoma had the best specialty steel researchers in the whole world, or could put that together with our help, we would make a deal with them.

**Mr. Morin-Strom:** Okay. But the fact is that while we are very competitive as forest products producers—the vast majority of the product is exported so obviously our capability in the forest area is world-class—there is concern in northern Ontario that we are not leaders as much as followers in the introduction of new technology into the forest and mining industries. There has never been significant research and development done in northern Ontario in either of those industries. The company that probably has the largest research organization in northern Ontario is Inco, but its research organization is located in Sheridan Park in Metropolitan Toronto, not in northern Ontario. It is something that has not happened in the north and it seems to me it is an area where government could be doing something to spur it to happen.

When you talk about university funding, Laurentian has a budget of Ontario funding of something between \$20 million and \$25 million. Lakehead is in the same area. But the big school of mining in the province is Queen's. Queen's has a budget of more than \$90 million. Queen's—in the city of Kingston—gets more in annual guaranteed university funding than all the university funding in northern Ontario put together and those institutions in southern Ontario are extremely powerful. When money becomes available for the university sector for the research projects, as is coming available with this technology fund, they carry an awful lot of weight.

In Sault Ste. Marie, in terms of funding, we are about one tenth the size of even Laurentian and Lakehead. We are talking about \$2 million to



\$3 million compared to \$20 million for the two big schools in the north, but in southern Ontario the typical university has \$100 million or more.

**Hon. Mr. Peterson:** How many students are there at Algoma College?

**Mr. Morin-Strom:** There are about 450 students at Algoma, but at least five times that many students go outside the Sault to get their university education. A university in Sault Ste. Marie could be self-sufficient on students from the local community at double, triple or maybe four times the size of the current school. The student body is there, but they are leaving and they are not coming back. That is nothing I can blame the Liberal government for. The development of the university system in this province has been established in a way that prefers the development of major institutions in southern Ontario.

We are talking about \$90 million to Queen's in a year, every year, and \$120 million or more to the University of Waterloo every single year; and then we talk about a northern development funding program, which you say is also our alternative, but we cannot get the technology fund. We are given \$100 million spread over five years. We are talking about \$20 million a year for all of northern Ontario for northern development, while these major institutions in southern Ontario are getting in the order of \$100 million or more in annual, guaranteed funding; developing the people base, the ideas, the spur for new opportunities in the south.

Again, I make a plea for northern Ontario that you do what is possible to redirect university and research funding to the north, that we get a fairer share of that investment, which really is an investment in the future of the region.

**Hon. Mr. Peterson:** I hear you on this thing. We had to face up to the problem with the Haileybury school of mines. You know of the funding problems there. Other people were not very optimistic about its future, its capacity to hold students and a lot of other things. I will not go into all that, but you know about it. We were presented with some pretty heavy deficits at those institutions and the question is what we do with them and how we handle them. I think what you have seen is a very strong commitment to northern entities. We have told you about the school of science in northern Ontario and that announcement leads—

**Mr. Morin-Strom:** I know. The south gets universities; we get a high school.

**Hon. Mr. Peterson:** No; I understand you being a little paranoid about this.

We put a lot of dough into Laurentian and into Lakehead. I am not saying we could not absorb more, that we could not do better, but I do not think you have seen any diminution of commitment at all. I think you have seen an accelerated commitment. We are trying to make those institutions stronger than they were in the past.

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When we came in, I saw a situation in which by almost any standard you want to use the post-secondary system had been squeezed to the bone. I agree with your original premise that our long suit is people and that we have to make those investments. We have started now to try to rebuild the process and there are many aspects to it. One is the overall funding level. On a comparative basis, the base funding went up over 11 per cent for universities last year, depending on what numbers you use. It was 7.6 per cent or 11 per cent, depending on how you want to factor it all together. I do not want to get into an argument about that.

We are putting special funds into the centres of excellence. We put special funds into renewing the faculty. Because of this ageing faculty problem, we were not getting enough new juice in these institutions. We have a lot of specialty programs doing these things which we think, not in one year but over a period of time, are going to make a major contribution to this province.

Provincial control over the educational system is probably the single most important lever we have in determining public policy of the future. I am not talking about dividends tomorrow, the day after or next year, but it is the decisions we make now that are going to affect the way your kids and mine live in Sault Ste. Marie. I see it as that kind of a commitment. Any way you cut this thing down, you can see a very serious commitment to try to meet those prerogatives and demands of a changing world.

I am not sensitive if you are critical about it, but I want to take this opportunity to explain the philosophy of the government, the way I view the situation and the way this ministry views its responsibilities in northern Ontario. You will not see those things flagging.

**Mr. Wildman:** Perhaps Mr. Pope would like to go ahead. I am going to yield to him.

**Mr. Chairman:** Okay, I will take them as they come at me.

**Mr. Wildman:** I will yield the floor to him and you can come back to me afterwards.

**Mr. Pope:** I have a couple of brief questions. Perhaps the minister can indicate what the



thinking is behind the policy of closing down the Bus Parcel Express service in northeastern Ontario, with the loss of jobs that occurred last September; and why he has given notice to employees at stations in northeastern Ontario, including Iroquois Falls in my riding, that they are going to lose their jobs as well because he is going to close the station.

**Mr. Tough:** Is Mr. Pope referring to the Ontario Northland Transportation Commission decisions?

**Mr. Pope:** Yes.

**Mr. Tough:** We would be very pleased to ask the ONTC people to appear here. We made that offer earlier. Our information on the express service is that no one has lost his or her job out of the moves that have taken place. However, if the member has a different view and wants to discuss that with ONTC, we would be prepared—

**Mr. Pope:** No, I would like to discuss it with the minister. I have had my discussions with the ONTC. When you closed down BPX, 19 people lost their jobs. More are now losing their jobs. They have received notices within the last two weeks that you are going to start closing down train stations in northeastern Ontario. These people are going to be out of work. I understand entirely the relationship of ONTC to the minister, but I think it is a matter that deserves some political intervention. That is why I am bringing it up here.

**Hon. Mr. Peterson:** I do not know. I am interested in your views. I did not even know about it, so tell me your views.

**Mr. Pope:** In fact, I asked a question about BPX last October in the House. In any event, I think it is clear that the withdrawal of services from these railroad stations in northeastern Ontario will have an impact not only on your ability to serve the public, but also on the availability of commercial contracts over the long term. Obviously, it is a policy of some kind that has never been explained in its fullest details to the people.

When you combine that with the announcement of going out for private sector proposals on norOntair, if the track record is going to be maintained—that is, closing down, restricting and reducing services—then I think ONTC, which reports to you and therefore to the ministry, is engaged in the course of reduction of services in northeastern Ontario at a time when it should be looking at new opportunities, because it is clear they are there.

I can explain the details of BPX system, if you like. They were given notice. They were allowed the right to transfer to Star Transfer, but they were guaranteed no seniority, and they would be the first struck off the list in the event of a layoff. They could elect to take their severance pay, which was offered to them correctly; but if they took their severance pay they could never again work for Star Transfer.

We are talking about people who have worked for 10 to 20 years in the BPX system in northeastern Ontario. I think it is an erroneous decision. I can understand the need for Star Transfer and ONTC. The Bus Parcel Express system has been efficiently serving the market. I think that could have been done without costing jobs; integration could take place in the service sector without requiring a restructuring of employment. Quite frankly, we have not received a satisfactory explanation to any of these points.

**Hon. Mr. Peterson:** I will check into it and satisfy myself about the situation. Frankly, I do not know. We will have the ONTC people in here to have a go at them. I will do the same thing myself.

**Mr. Pope:** I presume you will and that is why I am bringing it up, because I would like you to.

**Hon. Mr. Peterson:** You are worried about the norOntair development proposal?

**Mr. Pope:** Yes.

**Hon. Mr. Peterson:** I can explain the philosophy. It has just gone out and nothing has been resolved. We will see what happens with respect to the proposals. You know as well as I do the kind of subsidies that are going on with norOntair. There have been great changes lately in the whole makeup and ownership of the airline business in northern Ontario. We are determined to have good service in northern Ontario. That is the bottom line.

The next question is how to deliver that most cheaply and most efficiently, so we are looking at possibilities of others running the planes perhaps more efficiently than we could and more cheaply than we could to satisfy the demands we have. We went through this last time with Mr. Bernier, who had some concerns about it as well; but no final decisions have been made on that. I think you would agree with me that our obligation is to run as efficient a government as we possibly can and at the same time provide the level of service. That is just what we are doing and we are exploring all possibilities.

**Mr. Pope:** You have a private carrier now providing the service under contract, so it is the different nuances of private sector involvement and what the guidelines are going to be. This issue has been around for a while, but there is some concern that there will not be a reduction in service. I know you made some decisions in 1985 to increase service to some specific destinations in northeastern Ontario, and now there is a concern that this might be rolled back unless there are some very clear guidelines on what quality of services can be maintained to some communities, that are not in my riding, by the way, but that are concerned about it, particularly to the north of me.

**Hon. Mr. Peterson:** I certainly hear the message. Everywhere I go in northern Ontario, as I have said to you before, the top issue that comes back is always transportation on roads, and airlines as well. I am very mindful of that. To manage to work and do business in a great area such as that requires sophisticated transportation systems. I am not insensitive to what you are saying. We are just looking at effective ways to reach those goals.

Obviously, if and when decisions are made on that, you will have a full go at them. You have your own way of comparing what used to go on and what is going on at the moment. There are no secrets about these kinds of things. We are just trying to do it in the most efficient way.

1750

**Mr. Wildman:** As Mr. Pope said, it is really a nuance of private sector involvement. Right now you have private companies under contract, but my concern is that if there is complete privatization—or at least a proposal for complete privatization—of certain routes, it is the profitable routes, if there are profitable routes, or the least costly ones, that will most likely be privatized. That would normally mean the ones leading into the larger centres, whether it be Sault Ste. Marie, Sudbury, North Bay, Timmins or maybe Elliot Lake—that kind of community. It would be the very expensive ones with high subsidy, the smaller communities, that would remain in the public sector. In the long run it would seem to me you are not going to be saving any money out of the public purse, because you will no longer have the profitable runs to balance off the unprofitable ones and you will still be subsidizing those unprofitable ones, probably at a higher cost.

**Hon. Mr. Peterson:** I do not think we are that dumb.

**Mr. Wildman:** I hope not. Sometimes I wonder.

**Hon. Mr. Peterson:** Sometimes we are. I think we understand that, and you are looking at the net effect across the board. You know the overall subsidy was \$5.5 million, which was fairly costly. We do pay a price for these things. I am not saying we are going to get to a net situation where there is no subsidy, just as we may not with the Chi-Cheemaun.

There is a price we pay to keep this country together and to keep people talking to each other. We are prepared to pay; that is not the issue. The question is to accomplish the same ends in the most cost-effective way. Who knows the nature of that private sector involvement or whether they will just operate the planes according to our routes and all that stuff?

**Mr. Tough:** What is the date on getting these proposals back?

**Mr. Tough:** What have we got, about a six-week deadline, something like that?

**Dr. Stevenson:** April 3.

**Hon. Mr. Peterson:** April 3. We will come back and look at them and, I can tell you, you will have a full chance to talk about this. This is a big issue in northern Ontario and I know it is a big issue. We are not going to do something that is silly, I hope.

**Mr. Pope:** I just note that the reduction in the northern transportation budget feeds some concern; it is a reduction of \$15 million over last year.

I wanted one last thing.

**Hon. Mr. Peterson:** Mr. Tough says that is not so. Is that not so?

**Mr. Tough:** I think we could talk about that if Mr. Pope wanted to do that, but that is not really the case. There are a couple of items in there, like the bilevels that Mr. Bernier may remember, that have been removed because they were no longer appropriate to include. Once you make those adjustments, I think you will find we are up. We would be pleased to talk about that in detail with you if you so desire.

**Mr. Pope:** Because it is 5:55 p.m., I have just one quick question on behalf of Mrs. Ferrier and the board of the Timmins district hospital. Under EldCap, your ministry provides funding to small community hospitals, and many small community hospitals have benefited and continue to benefit from that financial assistance. Can you indicate a response to the long-standing request for similar consideration for the Timmins district hospital so that Mrs. Ferrier and her hardworking board of directors may finalize their financial planning and get on with the work?



**Hon. Mr. Peterson:** How is Mrs. Ferrier?

**Mr. Pope:** Fine. She sends her regards.

**Hon. Mr. Peterson:** I give her my best. I will consult with my faithful deputy here.

I have no idea what Mr. Tough just said. If we want to explain it to you, we have to get this—if I decipher all this, I gather the matter is still under advisement in the hands of the Minister of Health.

**Mr. Pope:** Can I answer that?

**Hon. Mr. Peterson:** Yes, please.

**Mr. Pope:** In fact, the block schematics have been filed with the Ministry of Health since last summer. The fund-raising committee's activities involving a wide spectrum of people in the community—

**Hon. Mr. Peterson:** Just refresh my memory on this situation. The difference is a percentage of funding, right?

**Mr. Pope:** Yes.

**Hon. Mr. Peterson:** We have offered what?

**Mr. Pope:** Two thirds.

**Hon. Mr. Peterson:** And they want?

**Mr. Pope:** They have commitments from the city. They are involved in an ambitious fund-raising program of their own. They have commitments from the private sector of between \$2.5 million and \$3 million.

**Hon. Mr. Peterson:** What is the difference in dollars now?

**Mr. Pope:** If you gave them \$5 million that would allow them to proceed to construct.

**Hon. Mr. Peterson:** Would that buy the seat?

**Mr. Bernier:** That is the bottom line.

**Mr. Wildman:** It would not even buy Mrs. Ferrier.

**Mr. Pope:** I know that is a question that is being asked in a number of circles around here, but irrespective of those games, I think there has always been a broad spectrum out of the community, including all three political parties, on the boards. It has always been a total community effort. It has been a long-standing project, as you yourself have indicated on a number of occasions in Timmins. I think these people have had a long-standing request since 1985 for some decision out of the Ministry of Northern Development and Mines, and in all

fairness to them and to the community they deserve an answer one way or the other.

**Hon. Mr. Peterson:** You are probably right. I guess the problem has been the precedent here and a lot of other things. You refreshed my memory on the situation, because I have been involved in it. I remember those ongoing discussions with the hospital as promised I do not know how many times.

**Mr. Pope:** Only in 1981, when your candidates made it an issue.

**Hon. Mr. Peterson:** I remember all those discussions. Let me go back and check that. I do not know where it is. Frankly, I do not know what precedents that creates in other parts of the province and how it relates to other pressures that are there. I certainly recognize the necessity, and at least we are getting the first stages under way, I gather, so some progress has been made. We are a lot further ahead than we were.

I know the need; there is no question about that. Let me go back and I will discuss that with Mr. Elston. I do not know if he has made any decisions on it. I will come back and share whatever problems there are there.

Give my best to Mrs. Ferrier and the board.

**Mr. Chairman:** If you will build the Sultan road, you can have my seat.

**Mr. Wildman:** Just before we adjourn, since we talked earlier—and I know he did not hear our discussion—since Mr. Pope had some experience, obviously, in attempting to resolve the issue of Indian fishing rights in the past, perhaps he could add something to our discussion with regard to how we deal with the very serious problem in the northwest that Mr. Bernier and Mr. Pierce raised earlier. That could be helpful to the committee and helpful to the government.

**Mr. Pope:** I cannot believe how you guys, with Pat Reid in the Legislature giving it to me in January 1984 over the very same process issues, would go and make the same mistake again.

**Mr. Chairman:** On that note, we can debate that matter on Monday afternoon, if you like. We will adjourn now and reconvene again tomorrow afternoon to deal with Bill 115. It is going to be a heavy afternoon, I think, so I would encourage members to be here at 3:30 p.m.

The committee adjourned at 5:58 p.m.



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McGuigan, J. F., Acting Chairman (Kent-Elgin L)  
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Pierce, F. J. (Rainy River PC)  
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Wildman, B. (Algoma NDP)

**Witnesses:**

**From the Ministry of Northern Development and Mines:**

Peterson, Hon. D. R., Premier and President of the Council, Minister of Intergovernmental Affairs  
and Minister of Northern Development and Mines (London Centre L)

Tough, G., Deputy Minister

Vrancart, R. J., Executive Director, Planning and Administration Division

Stevenson, Dr. W. W., Director, Policy Planning Branch









No. R-23

# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

#### **Standing Committee on Resources Development**

Estimates, Ministry of Northern Development and Mines



#### **Second Session, 33rd Parliament**

Monday, February 9, 1987

Speaker: Honourable H. A. Edighoffer

Clerk of the House: C. L. DesRosiers

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### STANDING COMMITTEE ON RESOURCES DEVELOPMENT

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**Vice-Chairman:** Reville, D. (Riverdale NDP)

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Substitutions:

Hennessy, M. (Fort William PC) for Mr. Pierce

Lane, J. G. (Algoma-Manitoulin PC) for Mr. Gordon

Smith, D. W. (Lambton L) for Mr. South

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# LEGISLATIVE ASSEMBLY OF ONTARIO

## STANDING COMMITTEE ON RESOURCES DEVELOPMENT

**Monday, February 9, 1987**

The committee met at 3:34 p.m. in room 151.

### ESTIMATES, MINISTRY OF NORTHERN DEVELOPMENT AND MINES (continued)

**Mr. Chairman:** The standing committee on resources development will come to order. We have nine hours and 56 minutes left, if we can use them all up.

**Hon. Mr. Peterson:** That is not enough. Let us add some more on. I am enjoying this.

**Mr. Hennessy:** Let us go until nine o'clock.

**Mr. Chairman:** I do not think you should tell the critics that.

When we adjourned last time, if my memory, prodded by Mr. Wildman, serves me well, he had yielded the floor to Mr. Pope, and then it was supposed to come back to Mr. Wildman. Go ahead.

**Mr. Wildman:** There were a number of items I want to raise under the first vote. I realize we are allowing for free-wheeling discussion, but I would like to ask a number of specific questions.

I understand that last week there was a meeting involving representatives of District 6 of the United Steelworkers of America, the local union, and the Algoma Steel Corp. and a committee of deputy ministers at which Leo Gerard, the District 6 director, outlined the results of the consultants' report on the situation at Algoma Steel. I understand there are further meetings planned.

Also last week there was a reaction to the report from Jamie Melville, one of the vice-presidents of Algoma Steel Corp. The steelworkers' report concluded, among other things, that Algoma Steel Corp. is not in dire economic or financial straits right now but that it could be in a year or two.

They raised serious concerns about the direction the corporation and the management had taken to try to rectify their problems and identified the two major problems facing the company as the heavy debt load and the product mix. They estimate that the company owes somewhere in the neighbourhood of \$700 million and point out that its current product mix is in areas where the market is weak and there is low value added.

They prescribe a number of proposals for trying to turn the situation around. They indicate that something must be done about at least the interest rates, if not the size of the debt, and there must be investment in the company to broaden its product mix and move into more value added.

They identify a number of major players. Obviously, they identify the company and the union, but they also identify the major parent shareholder, Canadian Pacific; the creditors, mainly the Royal Bank; and the federal and provincial governments as players in the game of trying to turn this company into a winner and to save the jobs.

If I may paraphrase, as I understand it, the position is that the union is prepared to discuss the reconfiguration—I think that is the word they use—of the collective agreement, but its officers set significant conditions. Those conditions are that all players must be involved, including CP and the banks, particularly the Royal Bank, and the provincial and federal governments. They indicated they would like to meet with all the major players. I appreciate the fact that they are now meeting with people from the provincial government.

I should reiterate that the company did suggest one of the consultants used—a major world accounting firm from New York City—and agreed to the other two consulting firms. Mr. Melville, in his response, said they did not disagree with the findings. He said they indicated there was a need for concessions, but he reiterated that the company was going to maintain its current course, and he did not agree directly to the position that there should be discussions involving the banks and CP as well as the governments, management and the union.

**1540**

I understand that Mr. Gerard, when he released the executive summary, delivered copies of that to both the Prime Minister of Canada and the Premier (Mr. Peterson), and at that time he requested a meeting of all the major players. What I would like to ask now is whether, considering the position taken by the steelworkers and the apparent position of management, you would be prepared to convene a meeting of representatives of all of those five major players?



**Hon. Mr. Peterson:** The answer to your question is yes, when appropriate. This is an extremely important issue that you have raised, not only for the Sault but also for the precedents it creates in other companies that have problems as well—and, as you say, a new model, more or less, adopted by all the players to try to get to the facts; and we are a lot closer to getting some common agreement on the facts.

What I would like to do, Mr. Wildman, is this. George Tough was at the meeting. I am going to ask him to give his impression about any facts he knows that you may not know which would add to that and where he is coming from, and then I am going to give you my views about what we have to do. We can have a discussion about it, because this is not going to be solved in one week and it is not going to go away in one week, either. I think it is a worthwhile area on which to have a discussion. Mr. Tough, would you just tell Mr. Wildman what you know? You know more than I do, but then I will give you my views on the situation.

The answer, very simply, is yes, I am prepared to have that meeting. I have had a message from Leo Gerard, for whom I have a great deal of respect. I know where he is coming from and I am prepared to do it. The question is, is it appropriate right now? Is there enough meeting of the minds yet? As you say, there are a few people offside yet. It is still more or less, if I may use the word, at the touchy-feely stage. They have the report. They are starting to think about it, play with it, find out what various players' conditions are to do what under what circumstances. As you well say, it is not an emergency today, but a year or two from now we will have a problem on our hands; so let us not run away from the problem, let us face it.

Mr. Tough, do you want to share with us everything you know? Then I will jump in after you.

**Mr. Tough:** Mr. Wildman has characterized that meeting quite well. We had an hour and a half with the consultant, Mr. Warrian. He went through the findings of his report, some of which you have already called attention to. I think one of conclusions would be that cost-cutting is necessary but by no means sufficient in this situation.

He drew attention to the problems of the product mix and his perception that the company seemed to be counting rather heavily on a recovery of the tubular goods market, which is about 15 per cent of their business. They have just built a new plant, as you know, to respond to

that market. They are in extreme difficulty in the United States market in that line of goods. As you know, they are virtually excluded from that area.

It was a very useful discussion in that particular area of the report, and I know a number of the deputies took away a lot of information to chew on. In the area of some of the other elements of the plan of action, it was the consultants' contention that some of the things they had in their plan of action were not directed at improving the profitability of the plant. I think it is fair to say that a couple of the things the company is doing, I believe Mr. Warrian would feel, were the wrong thing to be doing. We did not form any conclusions on that, but we did agree that they were provocative suggestions and that we should go back and look at them—the Ministry of Industry, Trade and Technology, ourselves and other ministries.

There is no question at all that, when you look at the numbers in Mr. Warrian's report, it really does not matter, as far as we are concerned, whether the company is in dire economic circumstances; it is going to be in dire economic circumstances if the conclusions of Mr. Warrian's report are valid.

We have not yet formed any conclusions on that, but we have taken a view that there are some things that ought to be done, and we agreed that we would meet again. Following that, presumably, the deputies would form some sort of common position to carry to the Premier and the other ministers, at which time he could make his own decisions.

**Hon. Mr. Peterson:** The company is among the walking wounded; there is no question about this. There are some enormous debts that everybody has to be concerned about. The stakes in this one, from everybody's point of view, are immense.

I do not have any particular news to report to you except that those meetings are going on. We are prepared to participate. Do not ask me how, but we are open and flexible. Everybody has to play. It is like a lot of other deals we make in Ontario: everybody has to address the problem and, in my opinion, we have to have a little bit of blood from everybody, including both governments, the company, the lenders, workers and others, to make these solutions work.

The exercise has been salutary in the sense that it is not at the crisis point. It is close to the crisis point, but it is not there yet. We can think ahead. I do not want this thing to lapse.

There will be some posturing from all sides on whether the company's position is this, that or

the other thing. I do not know. Frankly, some of these companies threaten you with certain things, whether you are talking about carrying on or pollution requirements or whatever. Sometimes they are right and sometimes they are wrong. Sometimes people are just looking for an excuse to get out of their situations because they are haemorrhaging on a current account basis, and unless they can see prospects down the pipe they are not particularly anxious to hang in for a long term.

Somehow we have to come to some conclusions or some kind of approach that is going to make the company profitable and a long-term player in the community. So many things impact on this: for example, the steel discussion in the United States and oil prices out west. There are so many macroeconomic influences that it is tough to project. Probably \$30 oil would solve the problem.

**Mr. Wildman:** Yes, it would.

**Hon. Mr. Peterson:** It would cause other problems, but it would solve that one. One never knows how these things are going to play out.

**Mr. Chairman:** Tell Getty that tonight.

**Hon. Mr. Peterson:** I do not think I will mention that to him. There is no question this is one of the wounded in this whole oil price business. When one looks at the oil price question and sees it in an Ontario context, overall, it has blown billions into our economy. There are still lots of casualties as a result of that, and we cannot sit back and smugly say good for us, because that is not the case.

I do not know how this thing is going to work out. Sometimes it takes a while for people to come to their senses on matters. I see Mr. Gerard quite regularly. We have not specifically had this item on our agenda. Believe me, we are not walking away from a meeting. The question is, when is the appropriate time to intervene to try to bring people together? I do not know the answer. Obviously, it is something you and Dr. Morin-Strom are very close to.

**Mr. Wildman:** I understand that the steelworkers' consultants are coming down within a month with another report with regard to the Algoma Ore Division operation in Wawa. I would expect and appreciate it if the government responded in a similar way to the findings of that report, whatever they are.

I think my colleague from Sault Ste. Marie has a supplementary.

**Hon. Mr. Peterson:** Give me your thoughts. I am very interested. You people know this

situation intimately, a lot better than I do. Perhaps you have advice for me about the role we should play. We are working on that oil problem through the Algoma Central Railway.

**Mr. Wildman:** I do not want to go into that right now.

**Hon. Mr. Peterson:** It is different but related; it is all part of the same pot.

**Mr. Wildman:** I appreciate your answer. As you have said, if there is posturing—and there will be posturing on both sides—perhaps a third party such as the provincial government might be able to bring some of those players together, if they are not able to bring themselves together in a meeting in that way.

1550

**Mr. Morin-Strom:** Mr. Chairman, will you permit me to comment and pursue another follow-up on this same issue?

**Hon. Mr. Peterson:** You know the real truth of the situation; tell us. You have been inside that—

**Mr. Morin-Strom:** The corporation is still in some turmoil. There have never been any major shake-ups in management during this whole process. My sense is that in the community, within the union and also within management, there is quite a divergence of opinion as to where the corporation should go from here and what will be the best approach. There is no consensus even within management ranks over the approach taken.

There is considerable support, including my own view in terms of where the corporation should be going, that endorses the concerns raised by the consultants in terms of the corporation's strategic direction. I had raised concerns along the same lines almost within a week of the announcement of the change in strategic plan; in particular, concerns about some of the operating configuration. It is technical to someone not working at the steel plant. Even within the community, the press is reluctant to talk about the inside operating decisions. But believe me, the workers there understand the situation. They know which jobs are on the line as a result of the 1,500 jobs that are going in the downsizing.

The biggest single component has to do with this elimination of the ingot production and going to 100 per cent cast. The corporation's plan had been to go to 100 per cent cast, but only once it had built another major caster on to the more modern steelmaking shop, which would enable it to continue at its former level of operation. Even



the current level of operation cannot be maintained without the ingot production.

**Hon. Mr. Peterson:** What percentage capacity are they running at right now?

**Mr. Morin-Strom:** The raw steel production is around 2.5 million tons. The maximum they have ever produced is about 3.5 million tons. It may be two thirds today; 65 per cent to 70 per cent. Their plan for profitability was to put a cap on their capacity at about the level of 2.5 million tons. There is some serious question as to whether that can be supported with the current configuration. Mr. Warrian is saying there is a probability they will have to give away or give up orders or buy steel to run the mills because of a lack of caster capacity.

**Hon. Mr. Peterson:** What is a ton of steel worth these days, \$500?

**Mr. Morin-Strom:** As a selling price, \$500 would be a ball-park figure.

**Hon. Mr. Peterson:** Are those prices firming or declining? Where are they roughly?

**Mr. Morin-Strom:** I would say prices have been relatively level since 1982. In the past year or so, there has not been much movement other than probably in tubes. Obviously, that is a market that is really hurt. The company has been trapped in its Canadian-US configuration on tubes. It is not that it cannot compete in the United States. The company can compete on a cost basis and could benefit from selling to the US, but to sell there it would have to discount below the Canadian prices, which would mean it would be dumping.

For it to compete in the US, it would have to lower its Canadian price. The Canadian market price is a bit higher than the US because the market is a little more landlocked, while in the US you are right on ports where the discounting is more severe. It has a choice of trying to maintain its Canadian profitability or else give that all away to get more US business. It really is into a box on the trade situation.

Certainly, the consultants' study raises serious questions about the future. The elimination of the ingot production is in my estimation roughly 1,000 out of the 1,500 jobs. We keep talking about the 1,500 jobs that were the key to its program of action, and we are talking not about market fluctuations in jobs but about permanent elimination of jobs. The majority of those are when it eliminates all the facilities having to do with the ingot production. That is why this issue of whether the ingot route should be abandoned before it has another cast is so critical to the work

force there. The workers there, the ones who are working in the ingot mould foundry, in the mould yard, in the soaking pits and in the breakdown mills that break down ingots into slabs, booms or billets, know their jobs are gone as soon as that ingot production is shut down.

There is considerable concern that this decision be put off as long as possible and that the company have the wherewithal to replace those facilities and maintain a decent level of operation. The Globe and Mail article last Friday expresses the concerns about putting a cap on 2.5 billion tons of raw steel, which when it comes to yields translates into about 2 million tons of shipments. Mr. Warrian is indicating that the critical point for the company is if those shipments get down to the point of about 1.5 million tons. If that were to happen for a year or two, that is where I think we reach the critical stage. The company could very well drag on for three or five years—who knows how long?—depending on the market. The Ontario economy, outside of the tube area, is relatively strong right now, but if Canada, and Ontario particularly, were to go into a recession in the next couple of years and those tonnage levels in the area of sheet and strip, which are 50 per cent of the company's tonnage, were to drop off considerably, the company would get into a very serious situation.

I hope we can get all these parties involved in the discussions. I want to encourage the Premier to work with Leo Gerard and the company. I hope we can get all the parties on side to come up with a long-term solution. I wonder whether the Chrysler analogy, the type of multiparty discussions and approach that was so successful in the Chrysler case, might be necessary here to resolve the long-term future.

One of the things I would like to ask about is where you might see the provincial involvement, other than in facilitating the discussions, in terms of helping the corporation. Of course, the corporation has indicated it does not want direct financial assistance in this, and in terms of our trade relationship with the US that should be avoided at all costs. Any type of direct financial assistance from either of the senior levels of government is probably not the route to go. However, I think the Steelworkers have made some valid suggestions in terms of bolstering the business opportunities for the types of steel products that are coming out of the mill or that could be produced in the mill, and particularly a focus on operations that would use the steel in northern Ontario.



## 1600

This has always been a concern. We know there has never been any major operation that used Algoma Steel's products right in Sault Ste. Marie. There is no major one today. There are a couple of very small operations that are insignificant. Historically, there were a couple of major ones. Dominion Bridge had an operation there and eventually the corporation took it over.

The biggest initiative in terms of secondary industry that used steel was the tube mill. Mannesmann, the major West German firm that was the world leader in the production of seamless tubes, built the Mannesmann tube mill in the late 1950s to service the Canadian market and a good portion of the American market with product. It was fed by steel from Algoma Steel and it ran as an independent operation of the German firm until the early 1970s, when it was sold to Algoma and integrated into Algoma's works. In fact, that is where the tube concentration came from. It was not originally an Algoma Steel initiative. It was an initiative of this German firm that turned out to be very successful during the 1970s and then Algoma went gung-ho on it with its new mill in the early 1980s.

**Hon. Mr. Peterson:** If you put a factory in there, they might gobble it up and then foul it up. Have you ever thought about that?

**Mr. Wildman:** I have.

**Mr. Morin-Strom:** Actually, one of the areas the company has gone to as well is auto parts. The company supplies a considerable number of auto parts, primarily to General Motors and primarily in Michigan because the connections down into Michigan are better than they are to Ontario steel plants. Most of Algoma's automotive steel has tended to go to GM operations in Michigan that are actually closer to the Sault plant as well, as having a very good highway connection to them.

I certainly encourage the province to take some initiatives that would be steel-related and of assistance to Sault Ste. Marie.

**Hon. Mr. Peterson:** The answer is that we are prepared to play any constructive role that is legal. You always have to have your eye over your shoulder on everything you are doing now with respect to these trade initiatives. It is a very, very sensitive situation. It further compounds some of the injury if we are not extremely adroit in the way we handle it.

With respect to that suggestion, I can tell you, because I know this for a fact, that there are some very active discussions going on currently about

doing exactly what you have talked about. They have talked about getting a consumer there on a joint-venture basis with Algoma or independently self-standing, which we are prepared to participate in, not only as a customer. They are going on, but they are very tough discussions; not easy.

If you know of anybody who is interested, we are certainly prepared to work with him. We are canvassing every single option. We have to break through the mentality that we cannot have secondary manufacturing there. There are advantages to being there. But I tell you, it is a very tough sell. They come in and look at the distances, the wages and the union structure. More than one person has walked away after looking at the situation.

**Mr. Morin-Strom:** Do you think those wages really are an issue?

**Hon. Mr. Peterson:** I am not saying they are. That is not the issue. I am just saying how some people respond to it. Some employers respond differently to a highly unionized area. It inspires fear in their hearts. I am not saying they are right, but I am saying that is how some people respond to the situation. We are doing everything we can to encourage them. I would love to be able to announce a breakthrough but I am not in a position to do that.

**Mr. Wildman:** Obviously, we do not want to take up all afternoon discussing this one issue, as important as it is.

**Hon. Mr. Peterson:** It is a very big issue.

**Mr. Wildman:** I just want to say one thing, perhaps to close it off. To an extent, a lot of the press coverage of this consultants' report has sensationalized the findings, which all of us in this game understand, but I want to emphasize that it is not in my view a pessimistic report. It lays out the problems. It says there are serious problems but then makes a number of proposals for resolving them.

They may or may not be successful if they are tried, but it is a document that says, "These are some things that could be done to help put this company back into a strong financial situation, save jobs and enable a community to prosper again." In that sense, it is a realistic but also an optimistic report. I welcome your reaction and the involvement the deputy ministers are having with the Steelworkers. I will certainly say you have our support in the effort to try to bring the parties together so we can start to build a plan to resolve the problems that truly do exist there.

**Hon. Mr. Peterson:** In conclusion, you have a great ability to synthesize and I agree with you. You are right; the stakes are so immense in this particular deal. If you cast around the province, there may be other companies with that kind of an impact on the community—maybe Inco on Sudbury or whatever—but it is in that proportion, so the stakes are extremely high and it is very important.

Because you hear things that I do not, let me invite you, if there are things I should know, please bring them to me in confidence or in public, either way, because we are going to need everybody's help to bring this thing together. I am sure it is going to take lots of delicate negotiations so I invite your assistance in sharing with me, because you are both very knowledgeable about the situation.

**Mr. Hennessy:** I think we all—not only one party—are concerned about the welfare of Sault Ste. Marie. I think all three parties are concerned. We may disagree on a lot of other things, but on this one I think we are all united in realizing that if there is more employment in northwestern Ontario it is better for us and for the whole economy of Ontario. In any area in northwestern Ontario, all three parties are concerned. Regardless of which party is the government or the opposition, we still have the same thoughts in that respect, to provide as many jobs as possible and save as many firms and industries as possible in northwestern Ontario.

**Hon. Mr. Peterson:** You are right. Frankly, I think it applies to every part of the province.

**Mr. Lane:** Seeing as I am slotted in here as a substitute this afternoon, I would like to discuss a couple of things with you. I did not know I was going to be here so I did not have any time for preparation.

**Hon. Mr. Peterson:** I would rather have you than whomever you are subbing for anyway. I want you to know that.

**Mr. Hennessy:** Yes, I can name two.

**Hon. Mr. Peterson:** I can name about 48 actually, if you want to know.

**Mr. Wildman:** The question is, if you are a sub, are you going to torpedo the discussion?

**Mr. Lane:** I would like to discuss with you the cutbacks by Ontario Hydro in the long-term contracts for uranium at Elliot Lake last year, which cost about 200 jobs in the mines. When you take into consideration wives, children and people working in spinoff industries, probably 600 or 800 people were affected drastically. Basically, the reason given was that you can

purchase uranium cheaper in Saskatchewan than you can in Ontario.

How cheap is cheaper when you look at the total situation? When we think of the dollars that have to go into unemployment insurance or welfare, the social problems in a community when people are laid off and the problems within a family when there is no surety of future income; the family breaks up sometimes and children have to move to other schools or another area, it is a whole series of problems.

**1610**

I am just wondering if there has ever been any real thought given to how cheap is cheaper. It can be a lot less of a problem, but when you think of all the spinoff problems and the costs of them, can we not justify the continued purchase of uranium in Elliot Lake, a town that had just got on its feet, looked like it had a great future and then suddenly started to go the other way?

**Hon. Mr. Peterson:** I do not have all the facts and figures at my fingertips. You are probably more informed than I am. This issue goes back a long way, as you know. The entering into those contracts and the then government contemplating buying out the mines, signing—I gather some hundreds of millions of dollars flowed for the development of those mines. They agreed on virtually a cost-plus operation that guaranteed a profit for the developer.

You can look back in history and say those were the days when it looked like there would be a shortage. There was not the surplus of uranium around that there is now and prices were a little different. If my facts are wrong, I know you will call me to account, but I am just going by memory. Maybe it did not look like that bad a deal then but, in retrospect, in pure economic terms, it is not the greatest deal. The consumers, the ratepayers of the province, are paying substantially more for uranium than they would on the open market and have been for some time. There is lots of controversy over those uranium contracts. You will recall the controversy that swirled about that, whether it was right or wrong at the time.

As I understand it, Ontario Hydro recently decided to cut back at Rio Algom on a graduated basis rather than in a dramatic way. To ease the impact on the community, they worked out with the mines and the unions to do it sort of gradually rather than in a catastrophic or cataclysmic way when those contracts run out a couple of years from now.

You ask the probably unanswerable question in politics: how much is too much or at what point



are we losing on it? I do not know the answer. I could say to you, "Why should we not prop up Algoma because of the social impact, or any other factory, mine or resource industry where jobs are being cut down?" You are right; it has a very strong impact on a community, particularly one like Elliot Lake which is based on those two mines.

Is it the responsibility of the ratepayers of Ontario Hydro to pay extra for their electricity, and thereby make industries less competitive because of higher electricity rates, to support people in one area? I am not isolating Elliot Lake; you could apply that argument to any community around the country. Should we pay more for our textiles and let fewer imports come in to prop up textile factories? Should we pay more for our automobiles to prop up the automobile industry or let them all come in from abroad? It is a very legitimate question, but it is also almost a philosophical question in a political sense, because I do not know how much is too much.

It seems to me we have to have a long-term view of where the communities are going and try to work that out in an intelligent, reasonable way, whether it is worth paying \$1, \$5, \$25 or \$30 more a pound for how many pounds. I honestly do not know the answer. I guess that in broad terms every industry has to compete. There are changes going on. I hate to see people lose their jobs, in Elliot Lake or anywhere else.

It has come down to a very elementary sort of proposition: should the power consumers of Ontario pay for jobs at Elliot Lake; and if so, how much? If you are in Elliot Lake or if you have a sense for that community, you will argue, "Surely they should; absolutely they should." If you are paying your power bill and you are on a pension and you are very poor, you would argue no, you have other responsibilities.

It is a classic dilemma we have in politics where we are trying to cover both sides. Yes, we have a great responsibility to the community and we have to continue to work with it, but I cannot answer the real question you have asked me.

**Mr. Lane:** I guess it is a little different from the steel situation in so much as we are talking about exporting the steel as opposed to utilizing the uranium right in the province. It just seems to me that the former Premier, Bill Davis, always said we need a continuity of supply because we cannot have uranium plants going hungry for fuel. We have to have supply.

It seems to me that with Darlington coming on stream, we should be able to reinstate the volume that was originally agreed on in the long-term

contracts in Elliot Lake so we do not have that backward step that is certainly happening in Elliot Lake right now. We got to about 20,000 people and it looked like we had 30 or 40 years of a pretty good economy there, and suddenly we start to backtrack on that. We have lost 2,000 or 3,000 people already.

**Hon. Mr. Peterson:** You are quite right; it is a strategic resource in that sense, and it is our own. It is really the only energy source, outside of hydro, that we have in this province. That is a reality as well.

I think I am right that we are the highest per capita consumers of energy in the entire world here in Ontario, I think that is still the case, and we import 80 per cent of our energy from outside our provincial borders. The only really indigenous resources we have are hydroelectricity and uranium. We do not have oil; we do not have coal; so in that sense, it is an advantage for this province.

The great boom in nuclear reactors and all that stuff did not quite materialize. There have been major changes and major pressures on it, environmental and others. Who knows how that will turn out in the long term, but I am told they take this stuff out of the ground with shovels in Saskatchewan and in Australia. They do not even need a mine; they just sort of dig it out and throw it right in the reactor. I am exaggerating a little bit, but it is a fairly high-cost operation up there, and a lot of this other stuff was discovered post-Elliot Lake.

I do not know where nuclear energy is going to go 100 years from now; neither do you. If you listen to some people, there will not be any. If you listen to some people in the NDP—no disrespect to the NDP—you would close the whole thing right down tomorrow.

**Mr. Wildman:** We have never said that.

**Hon. Mr. Peterson:** It depends on what—

**Mr. Wildman:** Neither have the United Steelworkers said that.

**Hon. Mr. Peterson:** Mr. Wildman, I do not want to be contentious, but it depends on what part of the province you are speaking in on that one.

**Mr. Wildman:** I say the same thing in Elliot Lake as I say here.

**Hon. Mr. Peterson:** I do not mean you, Mr. Wildman; I just mean some of the other less responsible members of your party.

**Mr. Wildman:** We are all responsible.

**Hon. Mr. Peterson:** Mr. Lane, if you have any advice for me, I am interested.



**Mr. Lane:** I appreciate your comments. Should users of Hydro pay the extra cost? Maybe not, but the taxpayers of this province are going to pay it one way or another if we have to pay for the social costs of not having people employed in the industry as opposed to having them employed. In a town like Elliot Lake that has had so many booms and busts over the years, a step backward like that really hurts, because you begin to see the gloom and doom of days gone by, and certainly we do not want those days to come back again.

**Hon. Mr. Peterson:** You are right, but I never cease to be amazed at the grittiness and the resilience of people in northern Ontario. Take Kirkland Lake, for example. It was booming 50 years ago. It was the hottest gold mining town in the country, went into an awful trough and now is coming back. I was there a month or so ago, and I compare that to being there about six months ago and the optimism over the American Barrick deal. Who knows who is going to discover something under a tree tomorrow? Some of those people, some of the underground miners, have moved on to Hemlo and other areas.

We are quite optimistic for the north, and that is why we have put so much more money back in for mapping and geological surveys and trying to promote activity, through looking at the Thompson report and other ways of getting capital flowing in there.

We are not going to abandon Elliot Lake. I do not know what form it will be in. In terms of what its dependence on the uranium business will be 10 years from now, I do not know, but we sure have an obligation to work with that community and to ease whatever transitions or pain come with inevitable changes in our economy.

**1620**

**Mr. Lane:** You are certainly right about the grit the northerners have. Back in 1956, and I think Bud will back me up on this, there were about 25,000 people in Elliot Lake. When I came on stream in 1971, there were 7,000.

**Mr. Wildman:** About 18,000.

**Mr. Lane:** It is about 18,000 now. We got up to 20,000 and then dropped down to 18,000 again.

**Hon. Mr. Peterson:** I did not realize that. There were 25,000?

**Mr. Lane:** Something over 25,000 in the early boom days.

**Hon. Mr. Peterson:** That was all in the uranium business?

**Mr. Lane:** Right.

**Hon. Mr. Peterson:** I did not realize that.

**Mr. Lane:** There was no Elliot Lake until the big discovery was made.

**Hon. Mr. Peterson:** What year was that discovery?

**Mr. Lane:** People started to move there in 1955. They did business out of tents, bunkhouses and what have you until they built a town. Now they have a very modern town.

**Hon. Mr. Peterson:** It is a gorgeous town with fabulous facilities.

**Mr. Lane:** You have been there. The people who held on, there were 7,000 people still there in 1971 when I got interested in Elliot Lake. When we got back to 20,000, they said, "We stayed and we are the winners." Now that we are starting to slide down the hill again, they are beginning to wonder whether they were the winners or not.

I do not want to dwell on that. Knowing we are going to need uranium for Darlington and that we not only have this but also use it in our province makes it a little different from trying to export it someplace or import it from someplace else.

**Hon. Mr. Peterson:** Do you think we should build another nuclear plant?

**Mr. Lane:** We will have to finish Darlington first.

**Hon. Mr. Peterson:** I am looking for advice wherever I can get it, you know that.

**Mr. Lane:** I am not opposed to it. I think it is the safest kind of energy there is at the moment. Nothing that I can see tells us anything different from that, anyway.

I would like to discuss another matter that is of great interest to a good many of my constituents and, I am sure, some of Bud's and many people in northern Ontario. As you probably know, the national farm stabilization program that was brought on stream a year and a half ago is never going to do anything for the cow-calf industry. The reason is that it is based on a 10-year average price of calves—and there have been only about two years in the last 10 that the cow-calf producer has broken even, let alone made any money—and of course it that is only 90 per cent of the moving average, so the program itself is never going to do anything for the cow-calf operator. I think the Minister of Agriculture and Food (Mr. Riddell) would agree with that. He and I have discussed this several times.

Yet on Manitoulin Island, Massey and in other parts of northeastern Ontario, if we do not have

cow-calf operations we do not have any farming. It is mostly on marginal farm land. We can grow hay or pasture, but we cannot grow cash crops. Farmers in southwestern Ontario might be able to go from tobacco to something else, but we cannot do that in our area. In most cases, it is either the cow-calf program or nothing as far as farming goes. There are a few dairy farms, but basically that is what it is.

Also, if you do not have the cow-calf operator, you do not have the industry, because everything starts with the baby; we do not have fellows in the stocker business or fellows in the feeder business if we do not have the calf. Yet over the years, and our government was guilty of this, we helped the feed lot operator or the stocker, who was actually a dealer in livestock, earn more dollars and cents than the cow-calf operator, who has to have his money invested for about three years before he even has a calf. The heifer has to grow up to produce a calf, so he has his money invested for a long period of time. Costs have gone up for wages, farm machinery, fertilizer. All the things a farmer has to work with to produce a crop of calves have gone up tremendously over the last 10 years; yet the price of calves is probably less today than it was 10 years ago.

We have a real problem there. My suggestion would be that the northern Ontario regional development program is working well in the north. We are allowing the tourist operator to expand his business and become more efficient, and the manufacturing operator to enlarge his operation and become more efficient based on the Nordev program, which I think is an excellent program.

It seems to me that if we can assist the tourist operator and the manufacturer to improve their operations by becoming more efficient, by becoming larger or changing their methods of work, why can we not do it for the cow-calf operator? Why could this program not be extended to include the cow-calf operator as well as these other people? It would be of great assistance to northern Ontario.

We would have to put some money in too, the government would not put in all the money, but at least it gives the farmer a chance to get some money he does not have to pay interest on, and all things being equal he does not ever have to pay it back. Why fish of one and fowl of the other?

**Hon. Mr. Peterson:** I have no idea. Maybe it is a fairly reasonable suggestion; maybe it is not. I do not know, Mr. Lane. Do you guys have any good ideas? I am willing to discuss it with the Minister of Agriculture and Food.

**Mr. Ramsay:** Thank you. Mr. Lane, I was a cow-calf operator for eight years.

**Hon. Mr. Peterson:** My dad is a cow-calf operator in southern Ontario and he is always squawking at me too, I want you to know that. He always told me that he could tell, when he was farming, when there was going to be an election. He always got a cheque from the government. That is how he knew for sure; he would always get a cheque.

**Mr. Ramsay:** I have not received mine yet, Premier.

**Mr. Lane:** I never did get that cheque all through my lifetime, but maybe this time.

**Mr. Wildman:** One thing I notice around elections, and not only in rural areas, is that there is an awful lot of bull around.

**Mr. Ramsay:** As I said, I was a cow-calf operator for eight years on the farm I lived on in New Liskeard, and in the early 1970s there were good times for the cow-calf operator. It was the feeder guy who was having the tight margins to live with and was not doing very well. If you came into high feed costs he was the one that really got squeezed.

Your point is well taken. The inventory that is needed, the cow costs \$200 to \$300 a year to winter over and if you are only getting, and sometimes we did, \$200 or \$300 for that calf, obviously you are not making any money at all.

It is interesting. I was just noting that the Alberta price last week was \$1.25 a pound for 500-pound calves. It seems we are in another cycle of increased prices, but of course it is in the off-season. The fall, at the stocker sales, is where the price is really determined.

What we probably have to do for northern Ontario, and you are probably right when you give us some specific suggestions, is to take a look at the small-time operator. He is very specific to northern Ontario and really does tend to be in that category of cow-calf, maybe doing a bit of cash crop. We must look at designing some programs specifically tailored to northern people who are part-time farmers in that category, but who do supply an important crop to the southern feeder group and also produce food for northern Ontario.

You are probably right that overall programs that are not specifically targeted for the north are not covering all the problems and maybe we need to look at it. Maybe our minister could start to look at some programs that are specifically targeted to that type of operator, the part-time,



small and, for the example you have given, cow-calf operator.

**Mr. Lane:** I appreciate your comments. I think you understand what I am talking about. I guess the only reason we are still in the business is that a good many of the people, most of them, I would think 80 per cent of the people, who are in the cow-calf business own their own property. They are long-term farmers. The son took over when the farm was paid for and that sort of thing. If somebody had to buy one of those farmers out and pay interest on the money, he just could not exist. It just would not be possible.

You were talking about \$1.25 a pound for the calf in Alberta. Let us be realistic for a few minutes. A feeder down here cannot buy that calf at a \$1.25, feed it and turn around and put a finished product on the market for 90 cents. That is what is happening right now. A good steer on the market here in Toronto brings about 90 cents. The person who is paying \$1.25 out in Alberta is the guy who has a lot of feed grain on hand that he wants to get rid of. That does not relate to us, really, because we cannot pay that \$1.25 and then sell for 90 cents or 95 cents. It is not possible.

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I do not dispute that that is what the price is; the minister told me the same thing. Out in Alberta the calves are selling for this much money, but they are not selling for that much being shipped to Ontario. That is some guy who is into the business and cannot get out because of tax problems or something. He could not possibly break even on that kind of deal. You can go down a few cents, as you know. If you buy a good calf at \$1.05, you can maybe grow it from 500 pounds to 1,200 pounds, then sell it for 98 cents or something and still make a few dollars because you have a good gain on it. But you certainly cannot have a spread of 30 cents or something like that; it is not possible.

If we do not farm that marginal farm land in the north—you are probably in a better farming area than my riding is in, because we have a lot of pasture land, a lot of ranch land—what are we going to do with it? That land is not going to be productive at all. There is no other type of farming that I know of that you can utilize that type of land in. You can grow lots of hay on 100 acres or so for 30 or 40 cows or whatever you want to keep, and you can range them on another 1,000 acres all summer and let them pick their living off an area that is brushy—no usable timber, necessarily, but you could not cultivate it, either.

It is really marginal, and it is not going to produce any timber for us. It is not going to produce anything at all for us if we do not keep the cow-calf business going. There has to be something found, not necessarily to prop it up but to give it the stimulus it needs to get back on its feet.

**Mr. Ramsay:** Mr. Lane may have touched upon something there when he mentioned hay. I think we have to look at crop diversification in northern Ontario and at what else we could do on some of the land that is not as marginal as other land. I think hay production has tremendous potential for northern Ontario. If we get the mechanisms in place where we can get the bales down to a compact enough size to make transportation economic, we can start hitting those markets. Florida, for example, is a tremendous market for hay, and there is a good demand for Canadian hay.

I think we need to be looking at that, and in the better soils, as you said, at milling wheat. We can do that in our area. You obviously cannot do that in the marginal areas, but I think we need to look at that. I know the minister is really putting on a research program through the University of Guelph to look at diversification of crops. Maybe we can target something specifically for northern Ontario, because we are much more limited.

As you know, we looked at this 10 years ago in our area, the low-clay belt, and we are now very heavily into canola production, which is something we never grew 10 years ago. We never grew milling wheat until three or four years ago in Timiskaming. We are growing that now. We have discovered that we can grow high-protein wheat.

**Mr. Lane:** We have pockets of land that you can grow pretty nearly anything on.

**Mr. Ramsay:** Sure, if you have good land.

**Mr. Lane:** Basically, our acreage is marginal. I will not prolong the thing. I just hope we can work together to find some solution to it. I am sure some of Mr. Wildman's farmers are in dire circumstances.

**Mr. Ramsay:** The chairman does not want us to use the new word for the crop "canola"; he prefers the old name for the crop, which I forget. It escapes me right now.

I think you have a good point; we are going to be looking into those things.

**Mr. D. W. Smith:** In listening to Mr. Lane's problem—and I am sure it is the same in a lot of places—I wondered if there could be an incentive for land lower than number 3 land to maintain it



in pasture or hay ground. Would that compensate for the price of cattle, if we were to give some incentive to maintain this land? You cannot do anything else with it. We could give you some type of dollars per acre.

It is not directly to the cattle, but at least it gives you an incentive to keep a few cattle and either harvest the crop that way or take it off in hay. If you get it too directly, I am sure the Americans or somebody else could say these are grounds for countervail or along those lines. If you get it on the hay side, maybe it would not be quite as noticeable, yet you would still get the dollars up there that you claim to need and that I am sure you do need.

**Mr. Lane:** Basically, we are going to be out of business when this generation is through. We are going to be out of business because there is nothing to encourage the younger people to take over. There are no incentives there now to do that.

**Hon. Mr. Peterson:** I am not an expert on what you are saying. I think your remarks are constructively given, and I appreciate that. Can I ask David Ramsay to take this up with the Minister of Agriculture and Food and perhaps get back to you and start this discussion? There may be some way we can start with the smaller, part-time farmers who are indigenous to the north with unique problems. There may be; I do not know.

I am sure the Minister of Agriculture and Food will have lots to say on the subject. I mean, he does have a lot to say on every single subject, but let us start the conversation, okay?

**Mr. Lane:** Okay. There is just one thing I would like Mr. Ramsay to be aware of. When the Minister of Agriculture and Food and I were discussing this, he said to me, "Well, I do not know whether you have that big a beef or not"—or something to that effect—"because I think the member for Grey (Mr. McKessock) was quite satisfied with the price he got for his calves last year."

I went and talked to the member for Grey, and he said: "Yes, under the circumstances, the way the prices were, I was satisfied. I got \$1.15 or something for some calves and so forth, about 400 pounds, so I was satisfied; but I did not make money. I was satisfied that I got a good price according to the market." So the minister and the member from Grey have a difference of opinion there. He feels that the member for Grey is quite happy, but he is not happy. He is happy with what he got according to the price that was going at the time, but he told me himself that he could

not make any money at the price he had to sell for. So keep that in mind when you go to discuss it with the minister.

**Mr. Ramsay:** We are all farmers and I understand the situation, so I will take that to him.

**Mr. Wildman:** Last time I raised a couple of specific questions. I pointed out that there had been a discussion paper prepared—I think I said last time by the Ministry of Housing—by the Ministry of Municipal Affairs. Subsequently, my staff gave some information to Mr. Tough. I wondered what input into this study, if any, the Ministry of Northern Development and Mines had at that time or whether it was looking at it and evaluating it with regard to the application of the Ontario Building Code in unorganized areas. Were you able to get any information about that?

**Hon. Mr. Peterson:** I will take the easy questions and the deputy will take the hard ones.

**Mr. Tough:** Again, the facts as Mr. Wildman set them out were basically correct. There was a draft report. It was prepared and distributed, we are informed, to the larger planning boards in northern Ontario for their comments. There have been a number of discussions since then, as I think the member knows, with a number of the municipalities and, at present, the report and discussions are part of a package that is now under review by the Ministry of Municipal Affairs and by the Ministry of Housing.

I am told you will have a letter soon from a Mr. Winegard explaining the process and the status to date and, of course, you will want to address any further questions on this in detail to the Minister of Housing (Mr. Curling). But you can also be sure you have sensitized the ministry, and we will be looking at that report as it is reviewed by the two ministries.

**Mr. Wildman:** Thank you. In regard to the ministry's responsibility for co-ordinating government activity in northern Ontario and responding to the needs of the north, it is my understanding that the Ministry of Transportation and Communications, TVOntario and the Ministry of Northern Development and Mines—I am not sure the Ministry of Northern Development and Mines was involved, but I think it was—have looked at the long-standing problem of how to get adequate television services into the remote, isolated communities in northern Ontario.

As the Premier will know, the ingenuity of many of these communities has led to rather creative and somewhat questionable approaches

to obtaining television signals in the past. In the past, there were some communities where you could watch Atlanta, Georgia; San Francisco; Chicago; and New York—the so-called superstations. For a while, I guess, the Canadian Radio-television and Telecommunications Commission turned a blind eye to this, but it really was not legal. I would like to know the status of this report and what proposals are being made. Can we expect to try to assist these communities to get the kind of services that most southern Ontario residents—and, for that matter, residents of the north in larger communities—take for granted?

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**Mr. Tough:** There are three components to what we are interested in. One is the remote communities, where there has been a process of extending service through the low-power rebroadcast transmitters. There was recently announced a supplementary initiative to enhance the availability and increase the number of channels that would be available, including the French-language channel, the legislative channel and another package. Mr. Fulton announced the beginning of that.

**Mr. Wildman:** Does that involve Canadian Satellite Communications?

**Mr. Tough:** Yes, that may involve the Cancom package of stations.

**Mr. Wildman:** Instead of San Francisco, we will be watching Vancouver or Edmonton?

**Mr. Tough:** That is the third issue, and I think the third issue is one the Premier has exhibited some concern about, particularly in the north-west. I suppose it is a problem anywhere in the north, but certainly when you get up into the northwest you are getting a lot of stations from outside the province. As a Canadian, I think there is nothing wrong with that, but there is certainly a shortage of Ontario news available to a town like Fort Frances. That applies not only in television coverage but also in radio and newspaper coverage. That is an issue the Premier has asked us to look at with the Ministry of Transportation and Communications.

**Hon. Mr. Peterson:** On that subject, I do not spend a lot of time out there, but I have been out there several times. It always depresses me how little connection there is in real terms in that end of the province to this end of the province. It is farther west than you, Mr. Wildman. Mr. Hennessy will have a better sense of this than some of us here at the table. They think Howard Pawley is Premier.

**Mr. Wildman:** That is not a bad thing.

**Hon. Mr. Peterson:** How can these poor people labour under that kind of socialist yoke?

**Mr. Wildman:** Toronto is closer to Nashville, Tennessee, than it is to some of those towns.

**Hon. Mr. Peterson:** I know. Naively, I have even asked people I work with why do we not change the time zone? Can we do it? How do we build those connections?

**Mr. Wildman:** You can tell your Minister of Financial Institutions (Mr. Kwinter) that an awful lot of people up there think public-owned auto insurance is a great idea. Maybe that is because they get so much Winnipeg news.

**Hon. Mr. Peterson:** Name one.

**Mr. Wildman:** I do not have any offhand.

**Hon. Mr. Peterson:** That is that, you see. You cannot prove your point. All those people. If you cannot name one, I do not believe you.

**Mr. Lane:** Ask the government how much subsidy was paid by the government out of general revenue.

**Mr. Wildman:** There is nothing wrong with that. You and I have been fighting for equal and fair treatment in terms of gasoline prices in the north for a long time. We cannot get it that way. Why not get it under the insurance—

**Hon. Mr. Peterson:** Back to the serious issue, though, of this lack of connection. What would you do? Seriously, how do you make that part of the province? I do not know how many people are involved—relatively few. What things should we do to make those people feel more connected with their province?

**Mr. Wildman:** It is a serious problem in that sense if you are talking about Fort Frances. The CBC outlet they get is Winnipeg.

**Hon. Mr. Peterson:** Yes, the time zone.

**Mr. Wildman:** The problem is not just in terms of the northwest. If you go into some communities that do have Cancom—I am thinking of Hornepayne in my riding, for instance—you never know what time of day it is. You turn on the TV and you get Vancouver or Edmonton. I think they get Vancouver, Edmonton, Hamilton, Radio-Canada from Toronto or Montreal—I am not sure—and the private network of Quebec.

You turn on the TV sometimes at 11:30 in the morning and you get early morning, six-o'clock-type programs; early news, that sort of thing. It is very strange. I suppose you get used to it. There are a lot of shift workers up there.

What I am really concerned about is that group of very small, isolated communities in the far



north that either have no television or illegal satellite television; or they may have one channel, usually a CBC feed of some sort. That is it. They have no choice. There is no variety, and if they do not happen to like what is on the one channel that is it.

If some kind of package can be put together where Cancom can be brought in, along with TVOntario and the legislative network, that might be a way of doing it, because there is no cable company that is going to want to go into these very small communities. It is not economic. There are not enough customers, considering the cost of the equipment and the technology to bring in the signals.

**Mr. Tough:** Just to follow that up, the package that was most recently announced envisages, where it is practical and where the private sector is holding back from installing cable because it is not economic, that we would make a cash contribution and encourage the private sector to do that. Instead of proliferating the low-power rebroadcast transmitter principle, we thought we would look at the possibility of cable. That would service 180 communities, provided they all want it and provided the private sector is there.

Where the cable option is not practical or where they do not want it, we would extend the LPRT. We would put another dish on the town antenna tower. We think we will expand the network quite significantly.

**Mr. Wildman:** There are some cases where it might be possible, particularly in some of the northern Indian communities. I know of one particular case where the band itself—there was no private company prepared to go in there—was prepared to set up its own cable co-operative, a sort of co-op operation to bring in cable systems. Those kinds of approaches are ones that might be alternatives in very small northern communities.

**Hon. Mr. Peterson:** I would be interested in hearing Mr. Bernier's thoughts on the issue of that section of the province that is on a different time zone and tends to look west rather than east. You are personally familiar with it. That has always bothered me when I went there. Maybe it is an unsolvable problem, but are there ways we can reach out here? Is it a communications problem? Is it a satellite problem? Is it a transmission problem? Is it a newspaper distribution problem? Or is it a time zone problem? Are there things we should be doing in that area of the province to make people feel more a part of this and connected better here?

**Mr. Bernier:** It is interesting that you raise that, because several years ago I, along with the former mayor of Dryden, Tommy Jones, advocated very subtly that the time zone be moved further west to the Manitoba border. That would make us all equal in Ontario.

The reaction we got, particularly from the Kenora area—you must realize Kenora is strongly oriented to Manitoba. All those people who live there have relatives, friends and business communications. The CBC comes out of Winnipeg; everything comes out of Winnipeg. It is only 140 miles, a two-hour drive. It is a common thing for people from Kenora to go to Winnipeg to shop on a Friday night. The economic ties are very strong. They are very ingrained and well rooted.

In a number of my surveys I came up with only one thing that I could hang my hat on as it related to the media, and that was that they wanted more Ontario news. They said, "That is all we want, but leave us with Manitoba." I could not believe it. They know more about the western Canada situation, the drought situation, the crops and how they are coming; and more about Premier Pawley than they know about Premier Peterson.

**Hon. Mr. Peterson:** You are telling me that if there were a referendum, people would not want it to change?

**Mr. Bernier:** No, they do not. I could not believe it.

**Mr. Wildman:** But they want more Ontario news.

**Mr. Bernier:** That is what they want: Ontario news. They are just crying for Ontario news. I constantly write CBQ. I phone them up and cry about no coverage for northwestern Ontario. It is a vast area out of Manitoba. The same comment comes back: "We are short of funding. We cannot send any reporters down." There is nothing. That area really is in limbo, there is no question about it.

**Hon. Mr. Peterson:** How many people live in that area between the time line and the Manitoba border?

**Mr. Bernier:** Close to 50,000 or 60,000.

1650

**Hon. Mr. Peterson:** How far from Thunder Bay is that line?

**Mr. Bernier:** Interestingly enough, your ministry has a beautiful marker at the time zone.

**Hon. Mr. Peterson:** Just a minute. Is my name on it?

**Mr. Bernier:** No. It is a beautiful thing. Everybody laughed when we put it up, but it is a



real tourist attraction. It is a huge monument right at the time zone, about 60 miles outside of Thunder Bay. It is tough when you live up there. I go home every weekend, and I have to keep shifting gears. I am either late for dinner or early for breakfast.

**Hon. Mr. Peterson:** I am just asking advice. It is not a fight worth fighting to try to—what would be involved in changing the time zone? You have looked at that. Is that an international problem?

**Mr. Bernier:** I think it is, yes. That is a thing we talked about for many years.

**Hon. Mr. Peterson:** There is no big movement to do it.

**Mr. Bernier:** It goes up and down.

**Hon. Mr. Peterson:** So you would advise me just to forget it.

**Mr. Bernier:** I thought I was going to kick it a few years ago but it did not work. I was shot down in flames.

**Mr. Wildman:** There is no question though that we would like more Ontario news, northern Ontario news, Thunder Bay news.

**Mr. Bernier:** That is right. Yes, there is no question they want to be part of Ontario. I think the jet service into that part of northwestern Ontario, the jet service into Dryden, tended to bring that area closer to Toronto.

**Mr. Chairman:** At the airport with the short runway.

**Mr. Bernier:** No, it is good now. We have lengthened it. I should remind you it was your old Ministry of Northern Affairs that laid to rest the Northern Ontario Heritage Party. The chairman will remember when Ed Deibel from North Bay started a massive movement because there was a feeling of alienation and disorientation from Toronto.

**Mr. Wildman:** Deibel moved to Florida.

**Mr. Bernier:** Did he?

**Mr. Wildman:** Yes, he did.

**Mr. Bernier:** I must put on the record that he had 10,000 people who signed a petition to join that political party and the election finances committee had recognized the Northern Ontario Heritage Party as a legitimate political party for northern Ontario. They never ran a candidate, but after the Ministry of Northern Affairs was formed and did such a great job, he folded up his tent and went to Florida.

**Mr. Wildman:** He ran for municipal politics, that is all. Then he went to Florida.

**Mr. Bernier:** I just hope that making the Ministry of Northern Affairs the Ministry of Northern Development and Mines does not lose the effectiveness that Northern Affairs had. I know there were political reasons to change Northern Affairs because of its lack of a certain member from Kenora or something. I was told so many times—

**Mr. Wildman:** It is even better now.

**Mr. Bernier:** I say with sincerity that the ministry today is not the ministry with the sensitivity that it had before you added Mines to it. It is now another bureaucratic nightmare. I say that sincerely. It has not got the sensitivity to the people. That was forced on them. It is just another big ministry, and I think that is what is wrong. The sensitivity and the closeness that Northern Affairs had to the people of northern Ontario was very real.

**Hon. Mr. Peterson:** In your judgement, we should split off Mines.

**Mr. Bernier:** There should have been a separate ministry.

**Hon. Mr. Peterson:** We are short of ministers, as you know.

**Mr. Bernier:** There are all kinds of us on our side of the House if you have not got enough ministers. You can reach over and grab a couple more.

**Hon. Mr. Peterson:** I just wanted your advice on that issue.

**Mr. Bernier:** We have given a lot of thought to the northwest. Every once in a while a new advocate pushes it for a while and then he falls by the wayside.

**Hon. Mr. Peterson:** Some new minister gets beaten on the head and then gives up. Is that what you are saying?

**Mr. Bernier:** He disappears. That is right.

**Hon. Mr. Peterson:** I just want to know before I get hit.

**Mr. Bernier:** While we are on the ministry, I would like to know about the move to Sudbury. The mining people are telling me it may not be in the best interest of the mining fraternity and the mining industry to move out of Toronto. Our head offices are here.

Interjections.

**Mr. Bernier:** Did you ever try to get to Sudbury from Kenora? It is easier to get to Jacksonville, Florida.

There is some concern that the officials, all the people who know the goings-on of government, be handy to the head offices here at Queen's

Park. I have heard some concern about the removal of this major segment of mining technicians, the experts in the field, the people who really run the mining area, now being shuffled off, four or five hours by car but not really in the north. It is the near north, not the far north; Sudbury is not the far north.

**Hon. Mr. Peterson:** Do you want me to respond to that?

**Mr. Bernier:** Yes.

**Mr. Tough:** Mr. Bernier makes a good point. There is no secret. We are getting representations from the mining industry that it is concerned, and it should be. It should also be concerned about the level of service we provide now, because we can do a lot more than we do now in information processing and rapid access to information. For example, even in Toronto, with the big offices we have here, you cannot get essential information on the Thunder Bay area or the Kenora mining division. You cannot get claim maps for the Kenora mining division if you visit the Toronto office.

I have been saying since I went there that this ought to be improved. There is no reason at all why information cannot be available in an electronic way in 1987. Similarly, a great deal of our information, the reports from the field work and so on, is coming out much more slowly than it ought to. There is a lot of information stored in a way that is not compatible with some of the modern technology. We have a big challenge to improve our capacities there.

There is some good work going on in Quebec and British Columbia that we need to look at more closely. There is a lot of new technology we need to apply in those areas. As part of that, I think we are coming to a view that we can move the bulk of our operations to Sudbury and still provide a level of service at least as good as we are providing here now.

We are not going to evacuate Toronto. We are going to have a service centre in Toronto, one window, if you like, on the mining side, where people from the mining industry can go. For example, we will probably have duplicate information, geological reports and so on. We will still have a very modern and attractive facility here for the mining industry to go to in a Toronto office, part of the core group that will remain in Toronto. That group will be linked very closely with the office in Sudbury, the Ontario Geological Survey and the other offices we have around the province.

We have invited Dr. Kilburn of the Prospectors and Developers Association and Henry

Brehaut of the Ontario Mining Association. I think we have invited everybody who has written in to share his thoughts with us, because we do not take lightly the fact that we are moving and that some linkages have been developed here. We need to reinforce our capacities to do that.

We recognize, too, that there are some linkages with the University of Toronto and we are going to have to figure out how to continue to facilitate those. One of the several positive things in the move, however, is that by putting that capacity at Laurentian University of Sudbury we make it much more attractive for U of T, Queen's University and the University of Waterloo to work closely with Laurentian.

I think we will get some synergy out of all that, so in the end we will be able to say we are serving the industry in terms of scientific information at least as well as we are doing now. That is the objective of the exercise.

**Mr. Bernier:** I am out of questions but I have a comment on that. When you are looking at the northern Ontario proposals for the Dash-8, just make sure there is a good connection between Thunder Bay and Sudbury. If the mines and minerals division is going to be in Sudbury, the air connections will be most difficult and time consuming.

Just to relate something to you, when we set up the Ministry of Northern Affairs, we put a minister's office in Kenora and another minister's office in Sault Ste. Marie, which Herb Aiken and Bill Lees will be aware of. The people up there did not want to see the minister in Kenora or Sault Ste. Marie. They wanted to come to Toronto.

I was absolutely amazed. I said: "Look, I am going home on the weekend. I will see you in Kenora or I will stop in to see you at Sault Ste. Marie. We have an office there." They said: "Do not deny me a trip to Toronto. I want to go to Toronto." Some municipal leaders were saying that. It is hard for me as a northerner to say that—

1700

**Hon. Mr. Peterson:** Your point is well taken.

**Mr. Wildman:** There is a colonial mentality.

**Mr. Chairman:** The bells are ringing now; there is a division on the mining tax bill. There is no agreed-upon time. Shall we will go ahead and debate for a while until we get a feel for the time?

**Hon. Mr. Peterson:** Let us keep going until they come. Tell the whip to give us five minutes.

**Mr. McGuigan:** Just as an aside, that attitude is by no means relegated just to the north. The people to the south are the same way. I say to



people I will meet them at home; but they do not want to meet me at home, they want to meet me here.

**Hon. Mr. Peterson:** They think you have a big expense account. Do you take them out to dinner?

**Mr. McGuigan:** I usually let them pick up the bill.

**Hon. Mr. Peterson:** Your point is well taken. There is no perfect place. Wherever we are there are problems. Our overall desire is to build the critical mass of mining expertise in Sudbury. It is going to be inconvenient for some; Toronto is inconvenient for some. Your point is extremely well taken on that east-west connection. That has to be there for people. For me, it is a hell of a note that some of these people have to fly to Toronto and then on to Ottawa. That is an ongoing fight that we are going to have to wage.

I can give you reasons why we should do it and why we should not do it, but we think that on balance it is the right move and that people will adjust to it. We have a lot of these mining companies here and, frankly, one of our chronic complaints is that you get a lot of guys running mining companies sitting down at the York Club or the Toronto Club. They might be a little more sensitive if they had their kids in the community and were going to schools and were sitting there, knowing the atmosphere of the town.

We have seen an awful lot of absentee ownership. I operate on the premise that you probably get more sense of management when you are right there mucking around with all the problems that everybody else in the community is dealing with. I have sat and listened to some of these guys down here, and they are not nearly as tuned in as the guys who live there; and they can still fly down here.

**Mr. Bernier:** I certainly agree with you on that point. History will bear you out, because we had an assistant deputy minister in Kenora and another assistant deputy minister in Sault Ste. Marie. They lived in the community, they spoke for the area, for the community, and they were much more sensitive to the area's needs than were the other assistant deputy ministers. We see that in the attitude of both Mr. Aiken and Mr. Lees, because they were on the scene.

**Hon. Mr. Peterson:** They join the local hospital board, they raise money, their kids play on the hockey teams, they go to ballet lessons. They have a big stake in it.

I have seen these guys come in and out of the communities. They have a two-year stint in a

northern community to make a profit on the back of the community, and all they have to show is numbers to somebody down south and they get out of town and climb up the corporate ladder. I have seen that.

There is something in that northern mentality, that northern commitment. I cannot describe it any better than that, but it is a reality and I believe in it. To the extent that we can, we have to encourage it. It is going to be hard on the government; it is hard on the deputy and the assistant deputy ministers and everybody else. It is going to tax the communications system and it is going to make a lot of money for Air Canada or whoever flies to Sudbury these days. Do they still fly to Sudbury?

It is hard on everybody, but I believe it is a price worth paying. When all these moves are made, I think we will stabilize this thing fairly substantially. I think it is going to be a long-term win.

**Mr. Bernier:** Maybe the deputy could answer some of these questions. What about the accommodation? Are we looking at a whole new structure, a new building, or are we going to be able to use some of the available accommodation that is present in Sudbury?

**Mr. Tough:** We are anticipating that we will require two buildings in Sudbury, one a downtown location for the head office function, which would include the ministry administration and the policy components of mines and minerals, and one on the Laurentian campus. We have made some progress with the university there; we have a facility that would be mostly Ontario Geological Survey, with elements of the Ministry of Labour and perhaps our drill core library. We would have two facilities there.

**Mr. Bernier:** Will they be brand-new buildings?

**Mr. Tough:** Yes. The Ministry of Government Services has gone to a number of architectural firms in northern Ontario—I think 32, which I guess is all of them—asking for responses in terms of their interests and their capacities to participate in the buildings that we are contemplating in Sudbury and the others that are proposed for Sault Ste. Marie and North Bay.

**Mr. Chairman:** All this without a government member.

**Mr. Bernier:** Is there a building up there?

**Hon. Mr. Peterson:** I think there is an existing building in North Bay. Correction: we may be able to renovate the property we own, which is an old school, right?



**Mr. Tough:** It is the teachers' college.

**Hon. Mr. Peterson:** We are looking at a renovation job because apparently that is a good location, but the other ones are green field sites. The Sault location has been chosen—what is the name of that location?—I forget. Norgoma site, or something.

**Mr. Chairman:** We have just been summoned to the House for the vote on the mining tax bill. We will come back and resume as soon as we can.

The committee recessed at 5:06 p.m.

1720

**Mr. Chairman:** The standing committee on resources development now has resumed and Mr. Bernier has the floor.

**Mr. Bernier:** I want to follow up on the Sudbury move. Can the deputy give us an estimate of the percentage or number of staff that will be in northern Ontario vis-à-vis southern Ontario when the move is completed in three years?

**Mr. Tough:** I cannot give you a precise number. What we would anticipate having in the Toronto regional office would be probably 20 people in total, including the mineral component and a secretary who would serve the minister. The way I see it now, we would have about 20 here. There is an issue, as you recognize, Mr. Bernier. A large chunk of the mines and minerals division concerns itself with southern Ontario and therefore there will still be a network of regional geologists and so on who are not in the north because they are located in other places. As far as Toronto is concerned, I would see about 20. What would that be out of our total? That is about five per cent. Would that be right?

**Interjection:** There are 275 positions.

**Mr. Bernier:** So you would have close to 80 per cent or 90 per cent of the total ministry staff? What would it be?

**Mr. Tough:** In total, with mines and minerals and northern development and transportation, I would be looking at probably 90 per cent; for sure 90 per cent.

**Mr. Bernier:** Do we have any idea of the total cost of the move? You must have estimated the financial implications of such a move from Toronto to Sudbury.

**Mr. Tough:** I think there were some estimates that the Ministry of Government Services used for purposes of getting the interest of the architects. I do not have those in front of me. Mr. Vrancart, do you have any of those numbers for

the costs of buildings? There will be a number of elements there, of course, the cost of the structures and the cost of the equipment. It is going to be fairly substantial in the case of the Ontario geological survey because we have either new equipment or equipment to move. In the case of the office building, it would be fairly standard stuff except that we would expect to have a fairly sophisticated communications network and computer-linked facilities. Then there will be the cost of moving those who want to move there. I do not think we have an all-in estimate from Management Board. Is that the case?

**Mr. Bernier:** Do you have a ball-park figure? You must have an idea.

**Mr. Vrancart:** I can give you an answer to that question.

**Mr. Tough:** This is Mr. Vrancart.

**Mr. Vrancart:** I can give you some rough cost estimates. The Ministry of Government Services has been advising us that the cost of the buildings will be about \$100 per square foot. What we are looking at is a building on the campus of the Laurentian University of Sudbury that would be in the order of 200,000 square feet. The estimate of the size of the building on the downtown site has ranged from about 160,000 to 190,000 square feet. There is still some debate with respect to who will occupy the building at the downtown site.

**Mr. Bernier:** So we are looking at about 400,000 square feet.

**Mr. Vrancart:** Yes, 350,000 to 400,000 square feet.

**Mr. Bernier:** What does that flesh out to, \$35 million?

**Mr. Vrancart:** That is right.

**Mr. Tough:** That is just for the buildings alone.

**Mr. Bernier:** I am glad you have some windfall revenues and you are spending on northern Ontario. I cannot think of a better place to spend it, although I know some other items that could use it.

**Hon. Mr. Peterson:** These things cost money. There is no question about it.

**Mr. Bernier:** Oh, I know they do.

**Hon. Mr. Peterson:** We are also looking at the overall rent needs in Toronto, and we are paying something like \$100 million a year in rent. If I am wrong, I apologize, but the pressure on the space in downtown Toronto is absolutely incredible. It is being driven yearly, as you

know. In the long term we are going to be better off, but we have great need for the space we have here.

You ask yourself the question, because more people in downtown Toronto are putting pressure on the system, should we not be diversifying? Should we not be looking at outlying areas? As costly as moves such as Oshawa and Kingston were at the time, I think they were a far-sighted government moves. I support them.

**Mr. Bernier:** I want to touch on the highway capital construction program. Can somebody bring me up to date with regard to the program itself last year? I have to admit that when I left the ministry there was some concern about the condition of the secondary highways in northern Ontario. Has there been an emphasis to correct that deficiency with regard to the capital construction program.

**Mr. Tough:** The answer is yes, within the limits of what we have.

**Mr. Bernier:** You have no new moneys then.

**Mr. Tough:** There is no increase in the highways budget that is sufficient to relieve the concerns we have about our ability to keep up with not only new capital construction but also the repair budget. I know that when the former minister was looking at the budget he was somewhat taken aback, as I suspect you were, Mr. Bernier, by the lack of flexibility within those budgets, partly because of the commitments to a number of large capital projects that are chewing up a lot of money. We will be seeking additional funding at every opportunity, but we recognize that an increasing share of the funds for northern highways are going to be eaten up just in maintaining what we have now.

As you are aware, Mr. Bernier, and as we mentioned earlier on, that was one of the reasons we asked the northern development councils for their views on tradeoff between spending some money on reducing the price of gasoline or increasing the highways budget. As a ministry, we were driven to that. We would be disappointed if, in our next estimates, we did not have a substantial increase in the amount of funds set aside for that purpose. Mr. Aiken could add to that if you want some amplification, Mr. Bernier.

**Mr. Bernier:** I remember the sliding scales and all the photos you used to show me, Mr. Aiken. We were heading in one direction. I wonder if we are correcting it.

**Mr. Aiken:** In total, the amount of money spent on the secondary highways stays about the

same, but we have managed to hold the programs. As you will recall, we had a long-term plan so that each of those secondary highways, particularly where they were the only access to a community, deserved the equivalent of the highway systems in southern Ontario. Some of them were taking 10 years, but that is still ongoing and we are on target with those.

**Mr. Bernier:** The Ontario Trucking Association and a number of those trucking organizations were constantly advising us of the deterioration of secondary highways, and that in 10 years there would have to be a pickup or the backlog would be astronomical in size.

**Mr. Wildman:** Highway construction companies are saying the same thing.

**Mr. Aiken:** It can be expressed in numbers. We need to improve about seven per cent of the highway system each year and our funding permits about three per cent.

**Mr. Bernier:** That has not changed then.

**Mr. Aiken:** That is roughly the shortfall. It is about the same as it was previously.

**Mr. Bernier:** With the \$900 million windfall and with 10 per cent of the population, I hope you might get an extra \$100 million for highway construction, just a fair share for northern Ontario. As the deputy minister already admitted, transportation is a very important issue in northern Ontario. On that note, perhaps some of you can bring me up to date on the winter road program this year. How did it go, what did we do and where does it stand?

**Mr. Aiken:** Perhaps I can help. I have left the details back there.

**Mr. Bernier:** It is a mild winter; I know that.

**Mr. Aiken:** That is the problem. We have a report every 14 days. There is one due in a day or two. The last was January 29. They are behind everywhere. The bad sections are the water crossings. There just is not enough ice to carry heavy trucks. Snowmobiles and so on are running, but whether it is Moosonee to Attawapiskat or whether it is the roads in the northwest, the problem is everywhere. There just has not been enough cold weather. It is dicey.

**Mr. Bernier:** Has the federal government agreed to continue the grouting and clearing of the road between Pikangikum and Sandy Lake and Deer Lake?

**Mr. Aiken:** I do not think so. I would have to check that for you.

**Mr. Bernier:** They had put about \$1 million into it and then had stopped. I wonder where that stands.



**Mr. Aiken:** As far as I know, it has not started again, but I will check that and see.

1730

**Mr. Bernier:** I would like to prod them. If you let me know where it stands, I will really prod the Ottawa people.

Peat study: I understand a friend of the Premier's is involved in a very extensive peat study. I wonder where it stands and could we get a copy of it? I know the cost of it. What happened to it, where does it stand and what are the results of it?

**Mr. Tough:** I guess I can start to answer. I would like Dr. Stevenson to add to that, if you agree, Mr. Bernier.

**Hon. Mr. Peterson:** What friend of mine was this?

**Mr. Bernier:** A former executive assistant of yours.

**Hon. Mr. Peterson:** Who?

**Mr. McGuigan:** Ian Connerty.

**Hon. Mr. Peterson:** Did he do a peat study? Is it any good?

**Mr. Bernier:** Did you not know about that? I thought I wrote somebody about that.

**Hon. Mr. Peterson:** I am amazed. I did not know anything about that.

**Mr. Bernier:** You are like Mulroney now. You had better be careful.

**Hon. Mr. Peterson:** That is a trifle unkind, Leo; in my view an exaggeration.

**Mr. Bernier:** Don't tell me you are going to start forgetting your friends now.

**Dr. Stevenson:** Ian Connerty was commissioned to look at the peat issue, to review the studies that this government and the former government had commissioned. Quite an impressive number of studies have been done on peat by this and the previous government.

**Mr. Wildman:** The question is, do they burn as well as peat?

**Dr. Stevenson:** He did a good review. He has some suggestions to make for government action in this area, quite a number of suggestions and fairly expensive ones. At this moment, we have just received from him a summary of his large report which we think is more suitable for distribution. It runs about 20 pages and we intend to make a substantial distribution of that for information purposes. We hope it will attract the interest of peat producers.

As you know, Mr. Bernier, there are a number of potential producers in the field who have

approached the government for assistance. These proposals are being reviewed by the interministerial committee on peat, which is chaired by Sheralyn Yundt of the Ministry of Natural Resources. With the Connerty study and the interest on the part of the producers, I think things are still moving in this area. When you get the summary of this report, we will be interested, of course, in your views on it.

**Mr. Ramsay:** It is not getting bogged down or anything.

**Mr. Bernier:** No, I just wondered where it was. I was looking for a copy, an autographed copy maybe.

**Hon. Mr. Peterson:** They have been talking about peat up there since before I was born. What is your sense of the prospects?

**Mr. Bernier:** I think it will come. I do not think its time has come yet—this is my personal opinion—because of the economics of the whole issue. I have friends operating in the Fort Frances area who are packaging peat now for the horticultural aspects of it. They are shipping it to the United States. My own feeling is that it has not arrived yet for heating purposes and energy.

**Hon. Mr. Peterson:** Are your friends making money on it?

**Mr. Bernier:** No, they have extreme difficulty.

**Hon. Mr. Peterson:** Is it one of those areas where we should be putting massive amounts of research money?

**Mr. Bernier:** I think somebody did help them. The Atkinsons at Sioux Lookout; then they moved to Fort Frances? They were not too successful, if I recall. There is a lot of peat work around the Rainy River area for horticultural purposes.

**Hon. Mr. Peterson:** But nobody is doing it commercially for energy purposes?

**Mr. Bernier:** Not to my knowledge. We have been looking at it and studying it and taking samples all across—

**Hon. Mr. Peterson:** Is this a price problem? It is not a technological problem.

**Mr. Bernier:** I think it is just economics. The price of oil has settled and gone down a little bit. As it was climbing up there seemed to be an interest by paper mills in a number of areas in using this form of energy, but once that levelled off and gas prices came down a little it stopped everything.

**Mr. McGuigan:** It is quite popular in Nova Scotia.



**Mr. Wildman:** Quebec has a pilot project on energy from peat, does it not?

**Mr. Bernier:** That came up the last year I was around. We were going to go to Quebec but they did not have any; it was just on the drawing board.

**Mr. Wildman:** I thought they were going to do something—

**Mr. Bernier:** Jack Stokes and Ron Van Horne; in fact, we did go to Quebec to look at their plans, so to speak, but they had nothing on site.

**Mr. Chairman:** Is that all, Mr. Bernier?

**Mr. Bernier:** Yes, I will turn it over to somebody else.

**Mr. Wildman:** I actually have three questions. The first deals with the question of decentralization of government. This may sound like a rather strange proposal but I have a personal interest in the archives of the development of mining in northern Ontario, particularly in northeastern Ontario. I understand the archives of the province are attempting to expand and get larger facilities, but right now they do not have the room to store, much less catalogue, the large number of files of archives they have of the various mining industries. I am thinking particularly of the Timmins area.

The Ministry of Citizenship and Culture has taken some initiative in trying to find more space. Has the Ministry of Northern Development and Mines considered the possibility of regional branches of the provincial archives? You might consider Thunder Bay, Sault Ste. Marie, Kirkland Lake, Timmins, and for that matter parts of the province other than northern Ontario. Has there been any discussion or consideration of that with the Ministry of Citizenship and Culture and the provincial archivist?

**Mr. Tough:** I am just asking Mr. Tieman whether there have been any discussions with his group. I have not been privy to any discussions.

**Mr. Tieman:** Mr. Wildman will be aware that when Ontario geological survey moves out the archives will have four floors.

**Mr. Wildman:** Yes, they were going to get more space, but it might be useful, in consideration of the government's commitment to some decentralization, if there were some consideration of regional offices. That is a small matter.

**Mr. Morin-Strom:** Actually, this is an issue that has been of considerable concern in Sault Ste. Marie, not so much on the mining aspect but in terms of the local historical society. Quite a

number of researchers in the local community have had considerable problems getting access to archival material from Toronto. In fact, the chief archivist tells me he is hearing weekly from different people in the Sault who are trying to get access to historical material from the province and there is no system for getting the material up there.

The Sault in particular is an area of historical concern because of the age of the community. In fact, the Sault is the oldest community in the province, the first one on any map of any type of the province. The historical development of that community goes back—

**Mr. Wildman:** Before the fur trade.

**Mr. Morin-Strom:** It goes back 300-plus years. There has been a lot of interest in the early industrial development around the turn of the century and the researchers are at a tremendous disadvantage if they have to come to Toronto to get access to the material. The idea of decentralizing that archival material into regional branches, particularly for material having to do with one area, is one for which I have had a number of requests from people at the college and the local historical society who would like to get access and are trying to do research on the early history of our community.

**Mr. Wildman:** It is a question of expense, obviously, but it is more than space. You can store the stuff or you can get it out to the people who would like to use it and have access to it. There are a lot of possibilities in terms of new technologies, computerization and that kind of thing. It is something that perhaps you could look at and discuss with the Ministry of Citizenship and Culture.

**Mr. Ramsay:** This was also brought to my attention about eight months ago and I responded. I wrote a letter to the Minister of Citizenship and Culture (Ms. Munro) suggesting this very same idea and asking her to take a look at the Quebec model of regional archives. I think it works very well. I have talked to people in the research industry, and they like that model.

#### 1740

It also gives much greater access to the particular sectors of the economy, like the gold mining history of Timmins, which right now I believe is in cardboard boxes somewhere up in Timmins. There is no room in the archives. Possibly with the Ontario Geological Survey moving, there will be room, but I like the idea. I have talked to researchers and found they do not mind travelling to the area where the history was

made and doing the research at that spot. It is something to be considered. I have asked her, as a private member anyway, to look into that.

**Hon. Mr. Peterson:** I never even thought of the problem, but I have heard there are problems over at the archives. There is a new archivist. I gather it is a bit of a mess. There is stuff all over the place. Conway is the only guy I know around here who actually goes to the archives—

**Mr. Ramsay:** On Saturday nights.

**Hon. Mr. Peterson:** Saturday nights in the archives. He mentioned this to me too. It might be a good idea; I do not know. Maybe we are not putting enough emphasis on it. Frankly, I never gave 10 seconds' attention to the archives.

**Mr. Wildman:** I know some people consider it a bit of an esoteric thing, but I think it is something that is worth looking at because it is important in terms of the development of the province and research into the development of the province.

**Hon. Mr. Peterson:** At least you would have a place to put all your speeches in the Sault.

**Mr. Wildman:** Actually, I do not think they store well.

**Hon. Mr. Peterson:** You could put them on tape and video and keep them running.

**Mr. Wildman:** I would like to move to the question of services to the north. In his recent study, the Provincial Auditor did a study of the funding of public health agencies in five different areas. The conclusion he came to was that, because those agencies are funded with percentage increases on the base rate of the previous year, the outlying communities will always be behind in funding because many of the smaller communities and northern communities did not have the same services and programs that the large metropolitan centres like Toronto had early on. They did not require the funding because they did not have those programs and services, and now they are in a situation where they cannot catch up, even if they want to, because their funding is based on the funding they had the previous year. That is not me saying it; that is what the Provincial Auditor found.

I think that is a very serious problem, because in the north you hear lots of complaints. We have heard for years how we do not have the services they have in other areas, but unless there is going to be catch-up funding provided, it is never going to change. We have this study by the auditor, and I would like to know what the response of this ministry is to trying to free up funding from the Ministry of Health to deal with this particular

issue. He is talking about public health, the health units, the services, whether it be speech pathology or the many services provided in urban areas and so on.

I would like to leave that for a moment and just move to the other issue that my colleague the member for Algoma-Manitoulin (Mr. Lane) raised last week. That was the anaesthetists situation. I will not prolong this, because I know we had discussion at that time. I am raising it again because over the weekend there were reports in the press that the College of Physicians and Surgeons of Ontario once again refused to make any exception for this community and to allow a foreign-trained anaesthetist, a specialist, to practise in that community.

I realize that we talked about the locums going in and all that sort of thing, but what was proposed in this case involved a Czech doctor who was qualified in Czechoslovakia who was prepared to go to Elliot Lake and practise. The proposal was made by the local medical fraternity that perhaps one of the locums who is trained and who is going in there on a temporary basis might be able to provide the supervision required for the required internship of this foreign doctor over a two-year period—perhaps they might shorten the period—to enable this foreign-trained specialist to practise in a community where they need a doctor.

It was considered by the Royal College of Physicians and Surgeons of Canada and they announced at the end of last week that no, they were not going to make any exceptions; they would not allow this. In my view, this is a tremendous waste of talent. I know the arguments about there being too many doctors for the population in this province, but we have a number of doctors who are not practising. We have areas of the province where we need doctors and we are crying out for them.

Some of these doctors are willing to go there. They apply and the college says: "No, we are not going to make any special arrangements. We are not going to allow you to go there." I just think it is time this ministry and the Ministry of Health started to put some pressure on the college and say, "Look, it is fine to have a closed shop, but it is about time we started responding to the needs of small northern communities."

**Hon. Mr. Peterson:** I am not going to fight with you about that. I do not know that particular case; I am sorry. Did the Ontario Medical Association turn it down or did we?

**Mr. Wildman:** No, the college.



**Hon. Mr. Peterson:** I do not know.

**Mr. Tough:** I am just wondering whether there is any update. That is the situation as you understand it now, and there are discussions going on with the college and Dr. MacMillan.

Interjection.

**Mr. Wildman:** There was a front-page story on the weekend, on Saturday, saying that the college considered—Dr. Bertlik I think the name was—

**Hon. Mr. Peterson:** The front page of what?

**Mr. Wildman:** —Dr. Bertlik's application to go in and do the internship with the locum doctor, the temporary doctor, doing the supervision that would normally be required by a resident. They considered it and they have rejected it.

**Hon. Mr. Peterson:** We will try to track that down for you.

**Mr. Morin-Strom:** Just a supplementary on that: it seems rather incredible that we have an immigration policy that to a degree attempts to bring in as highly qualified people as possible who can make a contribution to our society, and as I understand it we have some 200 medical doctors now in the province, fully qualified.

**Hon. Mr. Peterson:** Four or five hundred.

**Mr. Morin-Strom:** Four or five hundred—hundreds of them. In this case, Elliot Lake has need of an anaesthetist, if I can pronounce it.

In this case, we have one who is qualified and, as I understood it was a practising physician for five years in Czechoslovakia. She was accepted into the country as an immigrant, but we are not allowing our society to benefit from her qualifications in an area where there cannot be any argument that there is a need.

There may be an oversupply of doctors in other areas of the province; there may be an argument with the college of physicians and surgeons as to whether they want more physicians and surgeons in the province as a whole, but I do not understand why we cannot put some type of terms of reference, some type of restriction to ensure that she is at least permitted to practise in an area where there is no one willing to come in to do the job.

**Mr. Bernier:** If I may interrupt on a point, just with a little past experience, Mr. Wildman would remember when the group of Czechoslovakian dentists came over here. They were refugees, and we opened up our arms to them. We brought them up to northern Ontario. I think there were 30 or 35 of them who went up there. I would venture to guess there are only three or four left.

They go up there, they get their citizenship status, they practise and they get accepted into these various colleges. Once they get accepted, then they move down to the bigger centres.

**Mr. Wildman:** There is no question that that is a problem, but—

**Mr. Bernier:** That is the problem.

**Hon. Mr. Peterson:** How long do they stay? What is your experience?

**Mr. Bernier:** In my area they stayed, I guess, three or four years.

**Hon. Mr. Peterson:** Were they tied up contractually?

**Mr. Bernier:** I think two years was the figure.

**Mr. Wildman:** Two years was their contract.

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**Mr. Bernier:** One of them told me that as soon as he gets enough money to buy a Cadillac he is gone.

**Mr. Wildman:** That is a problem. We have a situation, and everyone recognizes it, in Elliot Lake—and this is not just in Elliot Lake; Atikokan has a similar problem—there is an emergency situation and there is a way of alleviating it for at least two years. There is no flexibility.

**Hon. Mr. Peterson:** It takes two years to get these guys licensed; that is the problem. It is not as if they are sitting there and we can send them up there tomorrow. It is a two-year process.

**Mr. Wildman:** The proposal here was that this person could become licensed by having the locum doctors do the supervision. Anyway, could you get back to me on that?

The other thing I would like to get in this regard is an update, if possible, on the EldCap program. I want to congratulate the government for expediting the program, which was set up by the previous government and Mr. Bernier.

**Mr. Bernier:** Good program.

**Mr. Wildman:** Yes, and one I suggested many years ago.

**Mr. Bernier:** I cannot recall that.

**Mr. Wildman:** As a matter of fact, it was the first thing I ever spoke about in 1975 after I was elected.

**Mr. Morin-Strom:** Get the Hansard out.

**Mr. Wildman:** It is a good program. There was a holdup on a number of the applications, and this government got moving on it. The former minister made some commitments to a number of communities that they would be able to proceed, and I understand that a number of them are subsequently in the process of hiring



consultants and doing design. I would like to get some kind of update as to where we are with those. I think 12 communities got initial approval for extended care facilities attached to community hospitals.

**Mr. Tough:** Mr. Chairman, would it be acceptable if we were to circle back with a detailed progress report on each one of those? We are getting together tomorrow, as I understand, and we could make that available tomorrow.

**Mr. Wildman:** That is fine with me. I just want to make my apologies now in advance. An emergency public meeting has been called by the township council in Wawa tomorrow involving me, the federal member, municipal officials and other government officials to talk about the future of Wawa. Obviously, there is a lot of concern in that community; so I will not be able to be here tomorrow afternoon as I will be in attendance at that meeting.

**Hon. Mr. Peterson:** We will undertake to get a briefing to you on all the issues you have raised today, and it will probably be back Wednesday.

**Mr. Wildman:** Thank you.

**Mr. Chairman:** Would this be an appropriate time to break, Mr. Bernier? Mr. McGuigan, did you want to read that before we adjourn?

**Mr. McGuigan:** On a point of information: I understand there are 24 positions that the College of Physicians and Surgeons of Ontario makes open each year for offshore doctors, but also trying to get in that gate are students who apparently do not make it to our medical schools here and then go to Ireland. They get an education in Ireland and come back and want to—

**Mr. Wildman:** In the United States they go to Grenada.

**Mr. McGuigan:** They go to Grenada, too. They want to get in that narrow gate. It is a pretty complicated business.

**Mr. Chairman:** Thank you. Tomorrow when we reconvene we will try to lay before the committee a schedule for the interval dealing with plant shutdowns and the Workers' Compensation Board. If the three caucuses have other members who are particularly interested in that interval period they should be here. We will deal with it right at 3:30 tomorrow.

**Mr. Wildman:** What did you just say? I am sorry, I did not hear you. Right at what time?

**Mr. Chairman:** At 3:30. We are adjourned until tomorrow afternoon.

The committee adjourned at 5:53 p.m.

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**Witnesses:****From the Ministry of Northern Development and Mines:**

Peterson, Hon. D. R., Premier and President of the Council, Minister of Intergovernmental Affairs  
 and Minister of Northern Development and Mines (London Centre L)  
 Tough, G., Deputy Minister  
 Vrancart, R. J., Executive Director, Planning and Administration Division  
 Aiken, H. J., Assistant Deputy Minister, Transportation Division  
 Stevenson, Dr. W. W., Director, Policy Planning Branch  
 Tieman, W. D., Assistant Deputy Minister, Mines and Minerals Division









No. R-24

# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

#### **Standing Committee on Resources Development**

Estimates, Ministry of Northern Development and Mines



**Second Session, 33rd Parliament**

Tuesday, February 10, 1987

Speaker: Honourable H. A. Edighoffer

Clerk of the House: C. L. DesRosiers

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### STANDING COMMITTEE ON RESOURCES DEVELOPMENT

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Substitutions:

Foulds, J. F. (Port Arthur NDP) for Mr. Reville

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# LEGISLATIVE ASSEMBLY OF ONTARIO

## STANDING COMMITTEE ON RESOURCES DEVELOPMENT

**Tuesday, February 10, 1987**

The committee met at 3:43 p.m. in room 151.

After other business:

**1549**

### ESTIMATES, MINISTRY OF NORTHERN DEVELOPMENT AND MINES (continued)

On vote 2401, ministry administration program:

**Mr. Chairman:** We will move on to further consideration of the estimates of the Ministry of Northern Development and Mines. The only names I have on my list are Mr. Stevenson and Mr. Pope—were you on before? You look maligned.

Interjection.

**Hon. Mr. Peterson:** Nobody noticed.

**Mr. Pope:** That is right. The chairman did not.

**Mr. Chairman:** I am sorry. It will be Mr. Pope, Mr. Foulds, Mr. Stevenson and Mr. Pierce.

**Mr. Pope:** The last time we got together, I raised a point with respect to the express offices and the hospital.

**Hon. Mr. Peterson:** We have dug into some problems on the hospital. We will share those with you. Mr. Tough, you have all the answers, have you not?

**Mr. Tough:** I want to reply to the points Mr. Pope made about the Ontario Northland Transportation Commission. We made inquiries into the situation described by Mr. Pope. The information we have from Mr. Dymant at the ONTC is that there seemed to be two issues. One was the whole Star Transfer issue and the other was the issue of Canadian National layoffs. The perception we are getting is that perhaps we blurred the two or got the one mixed up with the other.

In terms of the ONTC, the situation is there were 16 surplus employees in the organization. They were offered continued employment. They were not laid off; 16 relocated within ONTC, one took early retirement and three resigned. At the same time, there were some CN layoffs of 19 people and they expect 12 more from their system on the Cochrane-Hearst line.

**Mr. Pope:** Maybe I can give you the situation as I understand it. ONTC had employees in parcel express offices at Kirkland Lake, Timmins and North Bay. Last September, they were told that these offices would be closed. They were given an option of accepting severance pay or seeking employment with Star Transfer. If they sought employment with Star Transfer, they could not get severance pay. These were parcel express employees with ONTC.

**Mr. Chairman:** You say they got employment.

**Mr. Pope:** That is right. They got employment with Star, but they had no seniority protection; nothing. In fact, the feeling was that Star Transfer might be cutting back on staff in any event. Most of them looked for work elsewhere. There are still some disputes going on because I have had them in my constituency office over severance pay provisions. I know the ONTC cut back on employment in three offices. I went back and checked my records. I asked the Premier (Mr. Peterson) in the House last October about these three stations and the loss of 19 jobs.

**Hon. Mr. Peterson:** I vaguely remember. You are right. I guess I did not follow up on it. I apologize for that because I should have as I usually do when I do not know what I am talking about, and I did not. Somebody tracks it and reminds me. One of my staff did and I did not get back to you. Frankly, I forgot about it and I had no right to do that. I apologize to you. We owe you the straight goods on this stuff; I am sorry.

**Mr. Pope:** I really have some problems tracking what the long-term strategy is for employment in northern Ontario. At a time when we have some concern over job creation in northern Ontario and some effort is being made to create jobs, we have one of the agencies of the government laying off people without making much of a case, to be quite honest.

I got a letter last Monday from the operator of the Ontario Northland Railway station in Iroquois Falls. It has become an issue in Iroquois Falls. They want to close down the station in Iroquois Falls. They have reduced staff in Porquis Junction. There is some concern as to the long-term future for the employees in the Timmins ONR service. There has been no clear

direction or clear statement in the last six months from the ONR about its employment strategy. When you combine that with privatization of the airline services you get—anyway, I want to make the point that I did get a letter last Monday from the employee who works in the Iroquois Falls station.

**Hon. Mr. Peterson:** Can I ask you something? Are we on different wave lengths?

**Mr. Pope:** Yes, we are on different wave lengths.

**Mr. Tough:** I think Mr. Pope has backed up one step and I would like to explore that. You are looking behind the Star Transfer issue.

**Hon. Mr. Peterson:** Does anybody else know about this?

**Mr. Tough:** Certainly, Mr. Aiken could leave right now and find out a bit more from Mr. Spooner or Mr. Dymont.

**Hon. Mr. Peterson:** Can you track down all the details to which Mr. Pope is referring? I want to make sure we have the same facts in front of us.

**Mr. Pope:** Mr. Dymont knows.

**Hon. Mr. Peterson:** Do you mind? We will see whether there is anything we can do.

**Mr. Pope:** I guess the hospital is the second issue.

**Hon. Mr. Peterson:** We went into that in some detail. Mr. Tough, you have the briefing on it and will tell him about it. I gather there are an awful lot of problems in getting the communities together, as you have acknowledged.

**Mr. Tough:** Basically, that is it. I think Mr. Fontaine is aware of the issue too. He sat in on a number of meetings. The issue as reported to us is that there seems to be a willingness to proceed, but there are some requirements in terms of organizational structure. The requirement of the Minister of Health (Mr. Elston) is that it is a district hospital and the various entities have to get together. That does not seem to have been achieved to his satisfaction.

Second, there is a shortfall in the funding commitment from the municipalities. As well, there are a number of planning issues with the Ministry of Health in terms of the scale of the facilities. I think Mr. Pope may be familiar with some of the criteria the Ministry of Health has set out for planning the hospital. These criteria were exceeded in the report that came back from the hospital, so there is some discussion going on.

**Mr. Fontaine:** You have to make a deal with the natives on the reserve.

**Hon. Mr. Peterson:** Do you agree with all this?

**Mr. Pope:** No, I do not.

**Hon. Mr. Peterson:** Tell us your view of the situation.

**Mr. Pope:** There was never a timetable for the amalgamation of the boards, but a recognition by both boards that they would have to amalgamate when the construction of the hospital was completed. To start the amalgamation process, we actually hired the administrator of the Porcupine General Hospital, Art Moyle, as the interim administrator for the interim hospital board and he went to work.

That had two benefits. First, it put the signal out to the east end community of Porcupine General—South Porcupine and Porcupine—that the east end would play an important role in the district hospital facility. Second, it started the process of amalgamation by amalgamating administrators. We also had cross-appointments between the St. Mary's General Hospital board and the Porcupine General board, and representation of the Porcupine and South Porcupine community and of the Timmins community on the board of directors of the hospital. That has continued to today. The blend of the board of directors of the district hospital was such that the amalgamation was going to take place inevitably in any event.

There was also the voluntary resolution of the board of directors of Porcupine General Hospital that its facility would become chronic care only and that active treatment facilities would be at the new district hospital, which was one of the main concerns of Allan Dyer when he was associate deputy minister, institutional health, at the Ministry of Health. It was a gigantic concession given the events of 1981, where South Porcupine en masse and the board of Porcupine General opposed turning the hospital into a chronic care hospital only. They wanted to retain emergency facilities and active treatment facilities.

Interjecting themselves and the government into the middle of the timetable that had been set created needless irritants. The fact of the matter is that the two boards were drifting together anyway and were amalgamating by cross-representation. Now we are in a situation where, if anything, there are going to be further problems. I just do not think that is the right way to go. I do not talk to the board regularly but I think that view is shared by the board.

With respect to the funding, there was a decision made by a previous Minister of Health that the psych beds would be funded 100 per cent



by the province. That decision was made because the provincial government in its wisdom, and it was not a wise decision, in 1976 closed down the psychiatric hospital, leaving no psych beds for 225 miles. To replace those psychiatric services somehow, we thought it appropriate to fund on a 100 per cent basis 60 psych beds in the district hospital to replace the more than 200 psych beds, 100 per cent-funded, that were closed down in 1976.

With respect to community fund-raising, there is a commitment by the municipal council for \$5 million. There is a commitment from the private sector major gifts committee, which is chaired by my father. It has pledged from the resource industry and delivery of cash amounting to \$3.5 million. The community gifts committee, which Jean Ferrier and my wife chair, has had a fund-raising drive going now for some months. If the Ministry of Health's position is you have to have 100 cents of the dollar in the bank prior to the approval to construct; that is a rather novel interpretation of the guidelines as I understood them in the very brief time I was there.

#### 1600

It is true, as Mr. Fontaine said, that there are negotiations going on with the federal government and the bands in Moosonee, Moose Factory and up the coast with respect to whether the Timmins district hospital can adequately replace the service offered at Kingston, with the cost being borne for the flights and the services by the federal government. Mr. Fontaine is right that the band councils have to pass resolutions that will free up some potential commitments vis-à-vis assisting the native population with a better quality of health care.

I think this project has been well handled by the local staff. They have a new hospital administrator, and the board is working hard. Mrs. Ferrier is working hard to try to get this project going and, given the history to the project, I think there is a commitment that cannot be questioned to raise their share in the community.

I might say that my commitment for full funding on the 60 psychiatric beds was reversed by your Minister of Health about six months after he took office. Now they fall into the two thirds-one third formula.

As well, there is a problem with the hospital vis-à-vis the services that are now going to be put in there. We had hoped to get some acute child psychiatry services, just a couple of beds at least, because there is a very great need. Apparently,

that has now been turned down by the Ministry of Health.

We hope to have an associated hospital status with the University of Western Ontario, which the former dean of medicine had negotiated with members of the hospital board. That was to be followed up with associated hospital programs in many northern Ontario hospitals, and a relationship with the university hospital system that would allow professors and residents in training to serve their qualifications in many hospitals around the province and still not lose any time from their academic requirements. That program was announced and has not been followed up on.

In addition, there was a commitment to a Dr. Covington on a contract for the entire Cochrane district to bring clinical psychiatry services to all of Cochrane and Timiskaming. He was to set up clinics at the end of 1985. His contract was not honoured by the current government. He left Ontario, and we have had no psychiatrist working on clinical services to the communities in Mr. Fontaine's riding since that time, although the underserved area program has brought some psychiatrists into the Timmins area itself. However, setting up the clinics in different communities and getting a rotation of service to the different communities was not pursued.

It is not just the Timmins district hospital; it is some of the services that would have been adjunct to it. I think we have gone back in terms of those services. I would be the first to admit that my points of view on these matters were not the points of view of Dr. Dyer, who was not the deputy minister when I was in that portfolio. I would be the first to admit that some of my points of view on the associated hospital program were controversial, at best.

**Hon. Mr. Peterson:** Unlike a lot of your views on other matters.

**Mr. Pope:** Right.

But some progress has to be made, and I do not see that progress being made right now in terms of improving the lot of psychiatric care of our people, particularly in the French language.

**Hon. Mr. Peterson:** Is there anything you can add to that, Mr. Tough? I would not have known this if you had not told me. I appreciate your telling me.

**Mr. Tough:** I would not add anything. I think there is obviously a difference of view. I think what the Ministry of Health is telling us is that the criteria have not been met. You are saying that, in your opinion, the spirit of the criteria has been met.



**Mr. Pope:** As I understand the criteria, we have to have the money in the bank. I have never heard of that before. In the many hospital projects I have heard of in my few years in the executive branch, pledges were honoured at their face value.

**Hon. Mr. Peterson:** I would just like to get to the bottom of the situation. We are not experts on it, and I want to be helpful. Have you talked to Dr. Dyer about this? Is that helpful? Or the minister? Would you like me to ask him?

**Mr. Pope:** Dr. Dyer and I have a bit of a history.

**Hon. Mr. Peterson:** Okay, fair enough.

I would like to satisfy you. If we have a difference of opinion, we have a difference of opinion. That happens in life, but if there are crossed wires, that is not acceptable to me. If you have any advice for me on how I can uncross the wires, if that is the problem, I am happy to do that.

**Mr. Pope:** I think some initiative has to come from this government on the project. I know all the other issues that swim around this hospital project, and that is fair ball, but I think the—

**Hon. Mr. Peterson:** We are committed to it and we are going to do it fairly. What is the state? They are ready to go, are they?

**Mr. Pope:** They have their block schematics in. They have had an architect actually retained for a year and a half. You have been paying the hospital administrator for at least two years. You have had the board of directors renting space in Timmins for at least two and a half years.

**Hon. Mr. Peterson:** Why are we fooling around?

**Mr. Pope:** I have no idea.

**Mr. Fontaine:** First of all, one of the things we have to make clear is that, when we took over, when I first met the people in Timmins, the fund-raising was all in disarray. They did not know we were coming, either; we have to admit that.

It took all that time to put them in order. There was a public meeting, and they still felt they could not bring in the money. At that time the Minister of Health backed off a little bit. Now it seems as if everything is on stream.

Then they came to the ministry for \$10 million. I said, "Cripes, that is more than the budget of the whole ministry." At that time I nearly fainted. I said, "Go back home and do your homework." I mean, \$10 million from Northern Development and Mines was too much. I said maybe we would come in at the end, for the

unorganized territories, but I did not put any figure on it. I said maybe at the end we will come, after you get the natives in it and all the other areas and get your fund-raising going. Now it is going.

It is funny in a way. I met them at least 10 times. They never mentioned to me what Mr. Pope is saying today about the schematics. It is funny they never mentioned that to me, because I would have felt, probably—j'ai arrêté dans le même sens que toi—because that is where we are missing in the northeast. We have got to go to North Bay. With no service in the area from Hearst to Timiskaming, except in North Bay—even in North Bay I do not think there is a French-speaking psychiatrist.

**Mr. Pope:** They have one.

**Mr. Fontaine:** They have one now?

**Mr. Pope:** They have one now, from Montreal.

**Hon. Mr. Peterson:** I thought we had only one, Dr. Duckworth.

**Mr. Pope:** We had two, and then we had three; then we were back to two, and then they brought in another three. One is part-time now, so we have four full-time and one part-time.

The member for Cochrane North (Mr. Fontaine) is right; his recollection of the facts is correct, but all I can say is, I think we have moved beyond some of the disorganization, and a lot of people in the community want to do it.

**Hon. Mr. Peterson:** Would it be helpful if Mr. Fontaine went back up with you and met with the people from Quebec and sort of— I will take a personal interest in this. If you take Mr. Fontaine and let him go through all the stuff with everybody up there, whomever you want to talk to—would you mind, Mr. Fontaine?—and then let me know, we will see if we can improve the system.

**Mr. Pope:** To help my friend Mr. Fontaine, we got into the psychiatric problems in some detail in the December 1985 estimates of the Ministry of Health, specifically Dr. Covington and specifically the 60 psych beds.

**Hon. Mr. Peterson:** The sooner you can arrange to do that together, then we will have a meeting on it and see if we can move the system along. Other than that, I am sorry, I do not have authority on it.

**Mr. Fontaine:** There was another problem. The Minister of Health wanted to be sure that we do not run three hospitals. I am sure that could be one of the reasons for the impasse.

**Hon. Mr. Peterson:** Take Christine Hart up with you; take Mr. Elston's parliamentary assistant up with you. Get to the bottom of this damn thing and then we will see if we can sort it out.

**Mr. Pope:** They have no desire to operate three hospitals—never have.

**Hon. Mr. Peterson:** We will defer to your judgement. If there are local problems in any great order, everybody will have to get on side. We are all on the same side.

**Mr. Fontaine:** I did not know about the other service. Nobody told me.

**Hon. Mr. Peterson:** Mr. Fontaine, if you take Ms. Hart and Mr. Pope up, the three of you go, see what you can sort out and we will solve this one way or another.

**Mr. Chairman:** Is there anything else at the moment?

**Mr. Pope:** Because you are also the Premier, I had a question about northern Ontario. It is the last subject area. Are the section 38 programs, the joint short-term employment programs, still under way in northern Ontario? I have not heard of any announcements. How many workers are employed under the joint federal-provincial programs?

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**Hon. Mr. Peterson:** I do not think there are any that I am aware of at the moment. Does anybody know?

**Mr. Tough:** Is there something going along in the mineral side, Mr. Tieman?

**Mr. Chairman:** Will you take a seat at the table if you are going to speak, please?

**Mr. Pope:** It is the joint federal-provincial approach. It used to be section 38; I think it is section 41 or 42 now.

**Mr. Tieman:** I am only aware of the ones on the mining side. I think there is about \$350,000 in the current program. It is about the same level as it has been for the last few years. We have signed a separate agreement with Ottawa to deal with the mineral side of it now, because the Ministry of Natural Resources, for whatever reasons, wanted us to go our own way. I do not know what the program is in MNR. I believe they still have a small program, but I do not think it is quite as substantial as it was several years ago.

**Mr. Pope:** Do you know how many projects and how many workers are in them?

**Mr. Tieman:** It goes on a quarterly basis, as you probably know.

**Mr. Pope:** Yes.

**Mr. Tieman:** On the mining side, we are just into this quarter, and I believe about four new projects are going ahead. I do not have the details.

**Mr. Pope:** Do you know how many workers are involved?

**Mr. Tieman:** I think it is not much more than 20 or 25.

**Mr. Pope:** Are they work projects or training projects?

**Mr. Tieman:** They are a mixture of both. I am not sure how you distinguish on ours. They are both work and training simultaneously.

**Mr. Pope:** Because of some of the cycles of these things, my submission is that this program should not be allowed to lapse and should be used more than it is now being used, mainly because, from my own understanding of it, you also access federal money.

I have one last question on mining. Can I get some explanation of why the local mining official in Timmins does not think there is any place for a custom gold mill?

**Mr. Tough:** Shall I take a crack at it?

**Mr. Pope:** Especially when Pamour Porcupine is willing to spend \$40 million on it.

**Mr. Tough:** We know that Mr. McIntosh has had a series of discussions with Mr. McLeod, the president of Pamour. We are well aware of that, and I think Mr. Pope is aware of that too. We are also aware of the fact that Mr. Gervais and others have taken a view on custom milling. I think it is fair to characterize Sandy McIntosh's position and our position; I think the Premier has said that in the case of Wawa, for example; if there is a need for custom milling facilities, we will be quite happy to be at the table to see what we can do to assist that.

Unfortunately, our experience with custom milling facilities under the gold mill program has not really been an unqualified success. We have got one of three that is really operating in anything close to a continuing mill feed. As a matter of fact, right now it is operating on material coming in from New Jersey to keep that operating.

**Mr. Pope:** Which mill is this?

**Mr. Tough:** That is the Pamour one. It is bringing in material from—is it New Jersey? I think it is.

**Mr. Tieman:** It is not local material.

**Mr. Tough:** It is not local material. I think a good technical examination needs to be made. In



the case of Wawa, for example, we have already commissioned a study of the need for custom milling facilities in the Wawa area. If that study comes back and tells us there is a need for custom milling facilities, we will be quite pleased to do that.

I think it is fair to say the issue you are raising relates to a difference of view between Pamour and a number of people about the need for custom milling facilities in a camp where there are other milling facilities available. I know there is a difference of opinion. I believe that is a professional difference of opinion, not one that is predicated on our being against custom milling.

**Mr. Pope:** Mr. McLeod has an opinion not just about your efforts in this but about politicians generally. Setting that aside, why would you not continue to look at custom milling facilities by tracking the aeromagnetic survey programs and seeing what develops out of that? I have seen no response to the demands of the Matheson area with respect to the seven or eight properties that are trying right now to make development decisions.

There have been a couple of headframes built. Milling facilities are a problem. North of Kirkland, it is the same thing with American Barrick resources and some of the decisions it is trying to make. I do not understand why you do not track the flow of the aeromagnetic survey programs—and I guess there was another one done after that—and see what is needed.

Matheson is 40-some miles away from the Pamour Porcupine custom gold mill. It is not economic on those terms. They are having enough trouble with the Ross Mine feed going to the Pamour Porcupine from Holtyre, which is about 55 miles away.

**Mr. Tieman:** If I could speak to that for a minute, we are tracking it. We have several projects in the Matheson area. When they get to a certain stage where there is a feeling there is enough proven ore and a willingness to contract with a custom miller, then we would be interested in talking to them.

Most of them have told me they are not ready to talk custom milling yet. There seems to be a tradition of trying to see who is going to come out with the biggest deposit, build a mill and make a deal with the other smaller guys to do their milling for them. I think we would prefer to see private sector investment rather than public sector custom milling.

The information we have of the projects around Timmins is that there are a couple of mills coming on stream, and I know of at least two

companies that are prepared to build capacity into their mill to do custom milling business in the Timmins area, which is a preferred option for us. We are keeping pretty close track of what is going on in the areas, particularly where the airborne surveys have been completed.

**Mr. Pope:** First of all, at least one of the two requests for custom milling is for the processing of ore from that company itself.

**Mr. Tieman:** Yes.

**Mr. Pope:** That would take the entire capacity. I think we are both talking about the Hoyle Pond; I am not sure.

Anyway, I think I know what the second one is. You are aware of the problems of locating it where that gentleman wants to locate it.

**Mr. Tieman:** Yes.

**Mr. Pope:** I am not satisfied, and maybe you can tell me whom you have been talking to. From those I talked to in the Matheson area, there has not been much contact made with the project managers and the mine management of the various sites to see whether there is some desire there.

They see Sandy's statement in the Timmins press as a signal that this ministry is not even willing to co-ordinate the private sector in getting together for a custom mill. It is not just private sector dollars; it is whether there is going to be some guarantee of availability of time for milling.

**Mr. Tough:** I had a very useful discussion a couple of months ago when we up to Timmins and had a briefing from the resident geologist, who was in contact with all the producers.

**Mr. Pope:** Are you talking about Lorne?

**Mr. Tough:** Yes. I want to emphasize that this is not a question of whether we want to support custom milling. What we want to do is discern whether there is a demand for custom milling. If there is a demand for custom milling and there is a requirement of government assistance, we certainly would be coming to ministers for that.

On the basis of the briefing I got and the ongoing discussions I have had with a couple of companies, is that first of all there seems to be some doubt about whether there is a short-term requirement for custom milling. Second, there seems to be a preference, certainly on the part of some of the medium-sized companies, to go on their own. You can understand some of the reasons.

If you think it would be useful, we would be quite prepared to sit down with whomever you want and perhaps yourself and go through it with



Lorne and Sandy. If Mr. McLeod wants to sit in on that, we would be delighted.

**Mr. Pope:** I met Mr. McLeod once in my life, so your knowledge of him is as good as mine.

**Mr. Tieman:** As a final comment, I will be up in Timmins next week and I will be talking to some of the people you are referring to. We are having an open house seminar for prospectors and developers, and we are hoping some of these people will be there to talk to us.

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Second, I would just like to clarify what Sandy McIntosh has said. I think his remarks were carefully chosen and very specific to Timmins and not some of the surrounding areas. If there are some operators who can convince us that there is some real need for a publicly supported custom mill in the area, we have made it quite clear to all of them that we would be happy to talk, and that offer still stands. Regarding your idea of tracking, my sense is that if there is a demand for custom milling, we will not have to run around and chase it. In fact, we have made it known to those people that we are available to talk, and we would be happy to see them come in the door.

**Mr. Pope:** I do not want to give names for Ontario Securities Commission reasons. Will you let me know when you are coming into Timmins?

**Mr. Tieman:** Next Wednesday.

**Mr. Chairman:** Thank you, Mr. Pope.

**Hon. Mr. Peterson:** Mr. Aiken may have some answers here for you. Can you shed any light on this problem, Herb?

**Mr. Aiken:** Yes, sir. I reached Mr. Dymant who tells me that no stations are being closed. Iroquois Falls has a staff of two and a ticket seller, Mr. Brisson, who is a brother of one of the commissioners I think. He is being relocated within the Ontario Northland Railway organization. Currently, the railway is negotiating with the union in accordance with the terms of their contract for that relocation. Timmins station and the Porquis Junction station are both slated to be upgraded and renovated. There are no layoffs of ONR staff under way or contemplated at this time.

This really does not address your question, but Iroquois Falls would like to buy the railway station should it be closed. They do not intend to close it, but they would consider such an offer should such an event occur some time in the future.

**Mr. Pope:** A notice was given to the employee, Mr. Brisson. I think you met him before in Cochrane.

Let us put it this way, the front page story in the Iroquois Falls Enterprise a week and a half ago was that the Ontario Northland Transportation Commission had notified the employees that the station was being closed.

**Mr. Aiken:** I am a faithful reporter.

**Mr. Tough:** It is a little inefficient for us to run messages back and forth.

**Mr. Pope:** Just check it out.

**Mr. Tough:** We will certainly do that. If it were helpful at all, I am sure Mr. Dymant would come down. Are we on again tomorrow morning?

**Mr. Chairman:** Thursday morning.

**Mr. Tough:** Would that be possible?

**Mr. Pope:** He knows how I feel about this issue.

**Mr. Tough:** I understand that. I guess the question is the facts of the issue here. We are providing a courier service back and forth, and each time we provide an answer to your question you have another question. I guess it would be more efficient if Mr. Dymant were here to talk to the facts of the matter. I am just asking.

**Mr. Pope:** No, I am satisfied if you acquire the facts yourselves and address the issue.

**Mr. Foulds:** I would like to raise a specific problem with the minister and the staff. Frankly, if it could happen, I would like some heads to be knocked together and some red tape to be cut through.

**Hon. Mr. Peterson:** Whose heads?

**Mr. Foulds:** I am talking about speech pathologists and about their heads. I think it is agreed that there is a crying need for speech pathologists in northern Ontario. The Ministry of Health's own statistics show that in their facilities alone there are 14 vacancies for speech pathologists, just in health facilities. In the research that I have been able to do, that is merely the tip of the iceberg. There is a need for speech pathologists in other social agencies, such as centres for handicapped children, regional children's centres for emotionally disturbed kids of various kinds, at school boards and so on.

For example, I know that at St. Joseph's General Hospital, which is a public hospital in Thunder Bay, there is a waiting list of over 60 kids, and that means nine months in some cases before even an assessment can take place, let alone a program provided.

I was thinking about this issue and making a few notes from the statistics and the raw material I was able to get. Problem number one is that there is the need in northern Ontario, and I do not think anybody denies that. Problem number two is that it is run by three different ministries; that is, it is your program—it is a Ministry of Northern Development and Mines program—but it is administered by the Ministry of Community and Social Services and by the Ministry of Health. I have taken half a year to sort through that problem.

Problem number three is that the spaces in Ontario are very limited. There are only 25 spaces for speech pathologists in Ontario. I think there are fewer than 100—I could be a little bit out here—in all of Canada, and 50 of those are at the University of Montreal, where they are bilingual and rightly so. That is another problem we have in the north in terms of the northeastern part of the population.

The only solution, which is also a problem, is that, through your ministry, we have developed a program of bursaries for the underserved area. Nobody is quarrelling with that. But there are only 10 bursaries—four in Community and Social Services and six in Health. That means that those positions that are being filled, particularly in my part of the province, are being filled either by Americans or by Ontario residents or Canadians trained in the United States. The reason for that is there are a limited number of spaces in Ontario. Your bursaries are only available to those students who are studying in Canada.

I got into this issue quite accidentally because of two constituents who applied for places in Canada, did not get accepted and are studying in the United States, somewhere in Duluth or Minneapolis, which is pretty close to northwestern Ontario. It is a hell of a lot closer than the University of Western Ontario, fine institution though it is.

**Hon. Mr. Peterson:** I can understand—

**Mr. Foulds:** What I am saying to you and what I would like you to do is take a couple of actions. Number one, I would like you to expand the bursary program so that there are more bursaries, because the need is there. Number two, while the—

**Hon. Mr. Peterson:** Jimmy, just help me a bit. Who do you mean? Are you just talking about Thunder Bay? How many communities are you talking about?

**Mr. Foulds:** Okay. The need in the Ministry of Health that is documented in their statistics is for the north—the 14 positions that are vacant.

**Hon. Mr. Peterson:** All across the north.

**Mr. Foulds:** Yes. However, in talking—and this is anecdotal information, I do not have statistics that are gathered from all of the other agencies that could or would use speech pathology—I know in Thunder Bay alone and in the northwest, there would probably be another 13 positions that could be needed.

**Hon. Mr. Peterson:** Are they all attached to hospitals? Are we talking about Kenora and Dryden? What are we talking about?

**Mr. Foulds:** Yes, we are talking about Geraldton, Marathon, Fort Frances, Kenora, Dryden and so on. And we are talking about not only hospitals. This is where our mistake is often made. Speech pathology, as you know, can be used—let us give a crisis example—for stroke victims. One of the problems is, if you do not get the treatment within the first four months, all the medical evidence indicates that because of the memory lag and the time lag, you have a very poor chance of retraining that person to speak. If you are dealing with a kid, then obviously, there is a year or two taken out of that kid's life in terms of educational and learning development. It covers a whole range of disability, really too complicated to go into it.

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The waiting list that I know specifically, and I do not think it is atypical because when I raised this matter with my colleagues in caucus this morning, they were giving me anecdotal evidence from Sudbury and the northeast, is the one at St. Joseph's Hospital, which is a public hospital in Thunder Bay. It has a waiting list of nine months before they could assess. It is a year that is blocked out in time.

What I would like you to do is first of all expand the bursary program, because it is a substantial experience for people to take post-graduate training.

**Hon. Mr. Peterson:** What is it, two years post graduate?

**Mr. Foulds:** Two years.

**Hon. Mr. Peterson:** Post-science.

**Mr. Foulds:** Generally post-science, not necessarily. Two years, yes; and bursaries usually are for two years. Every one of the 10 bursaries gets picked up every year.

**Mr. Tough:** In speech pathology.

**Mr. Foulds:** Yes, it was in speech pathology. I am just talking about speech pathology. I am not talking about psychiatrists. I am talking specifically on this topic because this is the one I



want solved at this time. I do not want to confuse the issue.

**Hon. Mr. Peterson:** So the other ones are in the next estimates.

**Mr. Foulds:** Get one thing done at a time. I have learned that is a considerable accomplishment in this committee.

Two, there are restrictions on the bursaries and that is they are only eligible if you study in Canada. I have had a hell of a runaround, if I may say so, from the Ministry of Health in particular on this matter. Two constituents, one of Mr. Pouliot's and one of mine, were given to believe that the bursaries would be available if they studied outside of Ontario, as long as it was by an institution accredited by the American association of speech pathologists, an accredited school in other words, whether it was in Canada or the United States.

Mr. Pouliot wrote to you about one of those constituents in July 1986. I wrote to the Ministry of Health about the other. I would like to cut through the red tape on those particular ones because they were led to believe that such a bursary would be available and then they were told that because they were studying outside Canada they were not eligible.

I would like to solve the particular problem of those constituents, but I would like to go further than that because it was a matter of policy. I think it is important, while there is this shortage of speech pathologists in the north and while there is the shortage of spaces in Ontario and Canada, that those who have to study outside the country be eligible for the bursaries.

In the case of the constituent in the Lake Nipigon riding, the person paid roughly \$35,000 because of the American fees, along with the extra living expenses, for those two years of training. She made a commitment and is now working at St. Joseph's Hospital in Thunder Bay. The other two that I am talking about have made a commitment to return to northern Ontario.

Besides dealing with those two, I would like to cut through the red tape and make sure that the criteria are changed. I have been told now for eight months that the criteria are under review. I have read that phrase often enough to know that it means, "Maybe we will think about it." I want it to be under active review and I want it changed because I think there is a legitimate reason for it to be changed.

I guess the fourth thing that I am dealing with, and this is a much longer-term concern: I would like to ensure that there are spaces expanded in this speciality in Canada. Meanwhile, I do not

think we should use the excuse, "let's expand the spaces in Canada because that is the better solution to the problem." If we wait that long, it ain't ever going to happen. At present—and I have the figures here but I will save time—my recollection is that nine out of the 10 speech pathologists in Thunder Bay are either Americans or American-trained.

The reason I feel so strongly about the issue is that I was working on these individual cases when all of a sudden—my federal colleague and I share office space—his constituency assistant was working to help a speech pathologist get a working visa through the federal government. Because there were no other applicants, a person from the United States, who was trained in the United States, could get that working visa and come to Canada. It may take months. We had to import people who were trained in other places, when we had people who were born and bred in the northwest and were willing to return to the north but were forced to get training in the US.

**Hon. Mr. Peterson:** It seems fairly reasonable to me, without knowing anything more than you told me. You have always been known to present these cases objectively, factually and dispassionately. Therefore let us follow up on that and see what we can do. I do not know. That is quite a reasonable point you make. We will inquire of these other people who are involved. If it is easy to solve, we will solve it.

**Mr. Foulds:** If it is difficult to solve, I would still like you to solve it.

**Hon. Mr. Peterson:** It will take another week in that case.

**Mr. Foulds:** It will take you a week.

**Hon. Mr. Peterson:** Yes.

**Mr. Foulds:** If the House were sitting for a week, I would hold you to it.

**Hon. Mr. Peterson:** I know you would. That is why I am glad the House is not sitting next week.

George tells me it is—I hate to use the word—under review, and he is expecting an announcement very soon. We were ahead of—were we ahead of him on this one?

**Mr. Tough:** The member raised some good points about the particular criteria and so on. However, we can say that we are seized of the need to make a major expansion in the program, and we expect to have some details on that very shortly.

**Hon. Mr. Peterson:** What we are saying is that we are ahead of you on this one.



**Mr. Foulds:** No, you are not.

**Hon. Mr. Peterson:** Even if you had not brought this up, we would have done it.

**Mr. Stevenson:** That is what you call crisis management.

**Mr. Foulds:** If you are ahead of me, when do you expect those 14 vacancies to be filled? There are three vacancies in the regional children's centre, one of which has been there for three years. The Ministry of Community and Social Services has told the regional children's centre it will withdraw the funds for that position if it does not fill it. There are other problems with the regional children's centre, but how the hell can it fill it if there are not people who are trained and available to come back and serve?

There are a couple of problems. There are the problems of training and recruiting people, and there are a number of problems that I have outlined previously.

**Mr. Tough:** What we can warrant is that as soon as possible we will brief you fully on what our intentions are, and we will make a public announcement very shortly thereafter. We can go some way towards meeting some of the concerns you have. Although you have listed four, there are some outstanding items. I have heard what the Premier has said; we will look very closely at those.

**Mr. Foulds:** Let us see what we are looking at. We are looking at the need, not merely in Health but also in the other institutions. We are looking at the bursaries and expanding the bursary program. I suspect that is something you might be able to do something about. We are looking specifically at the constituency cases that are being brought to the attention of the Ministry of Health and the Ministry of Community and Social Services. This is a long-term one, and I do not know who you get to look at this, but you are looking at increasing the number of spaces in Ontario.

**Mr. Tough:** If we take those four together, I think we can go a long distance towards meeting the needs.

**Mr. Foulds:** When can I expect an answer?

**Mr. Tough:** As soon as possible, we will have an answer. We will brief you fully on the cases you have raised. Of course, you have raised some of them with another ministry.

**Mr. Foulds:** That is right.

**Mr. Tough:** We share an interest with you on those particular cases, because we want to reduce the barriers.

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**Mr. Foulds:** That is right, and I would think that not only would we share an interest but you would also have the overriding say on the criteria, simply because you fund the program. He who pays the piper calls the tune. We will leave it there for the time being. I certainly hope that is not just another under-review kind of commitment; that it is a serious one. Let me put it bluntly. I expect some action and I will be raising hell if I do not get it.

**Mr. Tough:** Fair enough.

**Hon. Mr. Peterson:** We stand advised. I am just going to ask you what kind of hell. You are not going to pull the plug on us, are you, Jim?

**Mr. Stevenson:** I will try to be as brief as possible, because I do want to give Mr. Pierce, Mr. Bernier and others from the north as much time as possible.

I have here some 15 pages of correspondence from a former resident of my riding who now lives in Swastika. Out of frustration, this person contacted some people in my riding to find out how to get hold of me, and hence this material has arrived, most of it just yesterday. The letters are cross-referenced and I have not been able to examine thoroughly all the correspondence, but I want to deal with it briefly.

**Mr. Pierce:** Just read it into the record.

**Mr. Stevenson:** Yes, I could read it into the record. Would you like me to? There is a matter here of concern over assessment, in a letter that was written to the Premier (Mr. Peterson) some time ago and I gather has not been responded to. This is a letter of last summer. I do not want to dwell on that because I have not been able to get through it that thoroughly, but there is the question of the sewer and water project in Swastika that this Mr. Crittenden is very concerned about.

**Hon. Mr. Peterson:** Is this a letter from the same person on different subjects?

**Mr. Stevenson:** No there are 15 pages. I am not sure how many, but not 15 letters; there is a number of pieces of correspondence. Some of them are three pages long. Do you want me to read all these into the record?

**Mr. Chairman:** The Premier may want you to, but I do not want you to. So you decide who has the gavel.

**Mr. Stevenson:** This person lives on Gold Avenue in Swastika and witnessed a person taking a water sample, or water samples, last summer. He has been unable to get any response

as to what the analysis was of this water. It is from the Blanche River water system, which I believe is now closed from what I can gather here.

He went so far as to include a sample of water, which he sent to me for analysis, because he has not been able to get results any other way. Are data available from any source on the quality of water that was in existence in the Blanche River water system?

**Hon. Mr. Peterson:** The deputy is from Swastika, so he tells me, so he knows everything about the community, except this. Who took the sample?

**Mr. Stevenson:** They understood it was an employee of the health unit.

**Hon. Mr. Peterson:** It could be the Ministry of the Environment, or it could be other people. I do not know.

**Mr. Stevenson:** Clearly these people—and he is speaking for other residents on the street—would like to know what sort of water they have been drinking in the past. Obviously, they were not terribly impressed with the quality of it, and there was some major concern there.

**Hon. Mr. Peterson:** Is this an environmental process? Help me out. Has the Ministry of the Environment taken samples up there, do you know? Does anybody know? Bill, do you know?

**Mr. Lees:** I do not know, but we can certainly—

**Hon. Mr. Peterson:** You were not sneaking out at night and taking samples, were you?

**Mr. Lees:** Not of water.

**Mr. Chairman:** If you want to respond, Mr. Lees, you will have to sit down at the mike. You cannot be heard.

**Mr. Lees:** My name is Bill Lees. I was about to say we would be pleased to check with the Ministry of the Environment and see exactly what happened to those samples, if indeed they were taken and were forwarded to the ministry. We can report back.

**Mr. Stevenson:** It would have to be either Environment or the health unit, whichever; I do not know.

**Mr. Lees:** The normal process would be for the samples to be sent to the Ministry of the Environment lab, which would do the testing. I believe that is how it proceeds.

**Mr. Stevenson:** The next matter relates to the contract which I believe is now let for the expansion of the water and sewer project into the Swastika area. The question here is whether the

current contract relates only to phase 1 of the project or whether the contract covers both phase 1 and phase 2. There is a letter here from the corporation of the town of Kirkland Lake, signed by the clerk.

The second paragraph reads, "It was confirmed that the municipality has obtained ministry approval for the funding of phase 1 and 2 of the sewer and water project in Swastika." I do not think I need to go on past that.

There seems to be a lot of confusion as to how much of it was actually funded. In another piece of correspondence from the corporation of the town of Kirkland Lake to Canada Mortgage and Housing Corp., there is a sentence that reads: "This work should be completed this year. We have also planned phase 2 of this work for next year"—this letter is dated April 18, 1986—"which will extend the sewer and water service to the area in the vicinity of Gold Avenue."

I think there may be some confusion about exactly where this sewer and water project is going. Certainly, there is some confusion over the contracts that have currently been let and what phases they cover. I think this gentleman must be having considerable difficulty getting answers or he would not have gone to the problem of looking me up and writing to me. I do not think he wrote to me for political reasons. If he leans the way some of his relatives do in my riding he did not write to me for political reasons.

Would you please check into what is actually covered by phase 1 and phase 2 and when the project is expected to be completed? There is some concern here about a statement made by someone in the community that it could be as long as four years before the project would be completed, which sounds rather long for a project of the size I suspect it may well be.

There is also the question of the 75 per cent funding from the ministry and when those funds will flow, as to whether that is at the completion of the project or whether it is staged along the project so that the community is not carrying the cost as the project goes on.

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**Hon. Mr. Peterson:** Could you give us a copy of that?

**Mr. Stevenson:** Yes. I do not mind giving you a copy of it. Maybe you can—

**Hon. Mr. Peterson:** How would you like us to handle this?

My guess is unless Mr. Tough is—do you know the answers to all this stuff?

**Mr. Tough:** No. I would have thought that in the first instance Mr. Crittenden would have



raised that with the mayor or Mr. Sharpe, who is the maintenance engineer.

**Mr. Stevenson:** He has.

**Mr. Tough:** I am from Swastika but I do not know Mr. Crittenden.

**Mr. Stevenson:** I will get it photostated and will get it to you, if you could provide Mr. Crittenden and me with some of the answers.

**Hon. Mr. Peterson:** Just to be helpful, if you want to photostat it, just say you sent it on to us. We will try to answer the specific inquiries or direct the right place to answer them, if that is helpful. It will save you time. I do not know the answer and I suspect nobody in this room does.

**Mr. Stevenson:** Possibly I could photocopy this whole pile of correspondence here and you could—

**Hon. Mr. Peterson:** Why do you not digest it? You précis it for us.

**Mr. Stevenson:** I have spent some time reading it, Premier, and of course I will respond to it, but I think it is something you could certainly look at in your spare time and you can address Mr. Crittenden's concerns.

**Hon. Mr. Peterson:** I do not have any spare time. I would like to get a précis of it.

**Mr. Chairman:** Do you have any other matters at this time, Mr. Stevenson?

**Mr. Stevenson:** I have some other questions, but I would like to give the time to the northern members, so I will pass for now. If there is any time near the end I will ask some further questions.

**Mr. Pierce:** For the benefit of the Premier and Minister of Northern Development and Mines, I have just received a letter from a constituent who was required to take his wife to Thunder Bay to have oral surgery done on one tooth. The letter is not very long. I am going to read it into the record, and I am going to ask the Premier at the conclusion of reading it whether he had any input into the new legislation that no longer allows oral surgery to be covered by the Ontario health insurance plan. He is writing to the doctor who performed the surgery, Dr. Orpana:

"Thank you kindly for your thorough letter dated January 16, 1987, in reply to my letter of January 5, 1987, regarding the removal in December 1986 of my wife's impacted wisdom tooth and cyst.

"I note your advice that OHIP did cover the cost of such services prior to July 25, 1986. I note also that if my wife's surgery had been performed on or after January 1, 1987, not even the cost of

her hospital anaesthetic would be an OHIP benefit. I am amazed that our Liberal-NDP government is leading Canada's richest province in the wrong direction in the field of health care.

"So far, this one tooth has cost us approximately \$700, to say nothing of the hassle and the time involved in making a winter trip from Fort Frances to Thunder Bay and back, some 450 miles for the round trip. This is pretty outrageous.

"Enclosed is my cheque for \$275, which I have made payable to Dr. Dowhos since I understand he did the surgery. I trust this is satisfactory.

"I will be making a formal complaint to our local politicians and will be forwarding copies of your letter to them, as well as to our regional OHIP officer."

It is signed "Yours truly, John T. Egan." He is from Fort Frances, Ontario.

That is only one of many cases that we are getting in our constituency offices now, because in rural Ontario, and I am sure in other places in Ontario, the medical practitioners or the people required to perform these kinds of operations are not available in the smaller communities. People are required to do a lot of travelling at their own expense, and they then find that at the end of the road even the surgery itself is not covered by OHIP.

I really wonder if that is the direction we are going in Ontario nowadays. Are the places where they have the least amount of people going to be penalized in those respects? They are penalized not only by not being covered for the direct surgery, but also by the fact that what would be considered a one-day trip downtown in Toronto is definitely a two-and-a-half day to a three-day trip in northwestern Ontario. I wanted to comment, particularly in this case where oral surgery no longer is part of the OHIP coverage.

**Hon. Mr. Peterson:** That is a policy made by the ministry and by the cabinet in negotiation with the Ontario Medical Association some time ago. You are quite right.

**Mr. Pierce:** In July 1986.

**Hon. Mr. Peterson:** That is government policy, and I recognize that it could in certain cases present a hardship. The thrust of government policy is exactly the opposite. We are moving to decentralize the services, trying to make sure the smaller communities and the northern communities have services and the OHIP travel grant. I am sure there is a hardship; I am not denying that. Some of those hardships the new policies have brought in, but in many other



cases the financial burden on people has been substantially eased with the northern travel grant as well. I think you could tell your constituents that the thrust of the policy is exactly the opposite.

**Mr. Pierce:** In this case, where it is not covered by OHIP, the travel grant is not there either.

**Hon. Mr. Peterson:** That is right. In that particular instance and for that particular procedure.

**Mr. Pierce:** There is no coverage in respect to oral surgery. In conversations I have had with both you and the Minister of Health, we recognize that being able to get the proper practitioners, doctors, surgeons and anaesthetists, in northern Ontario is getting more difficult all the time. We are looking at our hospitals as being holding beds pending operations in other centres. In your own words, it is recognized that we cannot expect to get surgeons and anaesthetists in the small communities and that there is not enough traffic to warrant them being there.

When you talk about oral surgery, you are talking about an even more specialized type of medical care, recognizing that in northwestern Ontario, the only oral surgeons are in Thunder Bay. That requires either moving from Kenora to Thunder Bay or Kenora to Winnipeg; Atikokan to Thunder Bay or Atikokan to Winnipeg; and Fort Frances the same thing. That to me is not better access to health care. We are going in the reverse in northern Ontario, and we are going very rapidly.

**Hon. Mr. Peterson:** With great respect, I do not agree with you. You are mixing up two different issues. One is the issue of what procedures are reimbursed by OHIP. You have made your point, and I accept your point. That was a government policy of last summer.

With respect to the broad issue you raise pertaining to access of people to quality medical care regardless of where they come from, I think we are moving in the opposite direction to the one you suggest we are moving in. Assuming that procedure was covered by OHIP, it would have been covered by a northern travel grant. Our whole thrust has been to make these services more accessible. There are problems with the right specialists in the right community, and I can give you a number of specific instances. We have them in southern Ontario too. I can tell you the problems we had getting an anaesthetist into Leamington, which you would assume is not a problem. It is a problem as well.

We do not always have the right person in the right place or the right person willing to move there. We are working on it all the time. The ministry does support and assist people to do that kind of thing, but it is an ongoing problem. I cannot tell you that we are going to have an oral surgeon in Atikokan or Fort Frances.

**Mr. Pierce:** I do not believe anybody is requesting an oral surgeon in Atikokan or Fort Frances. What they are requesting is that the surgery be again covered by OHIP, as it was previously; and that it would qualify for the travel grants for health care purposes. That is what the story is all about.

We recognize that people in northern Ontario are reluctantly accepting the fact—and I would say very reluctantly—that it is getting more and more difficult to attract those types of professional people into the smaller communities. At the same time, we also recognize that travel grants for health care are an added incentive or added benefit in being able to get access to the health care system outside of those communities. If we are going to take away the items that were originally covered by OHIP, then there is no longer any benefit. We are getting further away from access to health care.

1700

**Hon. Mr. Peterson:** With that procedure, you are right, but that does not cover the vast majority of procedures.

**Mr. Pierce:** It is the procedure in this case. Fortunately, or for whatever other reason, the gentleman is prepared and able to pay the \$700. What about the person who is not? Impacted wisdom teeth do not just pick on rich people. They pick on everybody. A lot of people cannot afford to make that kind of trip for that kind of surgery.

**Hon. Mr. Peterson:** I can tell you the way the discussion went. There are a number of things that do not have to be performed in hospital. The Ontario health insurance plan was paying for oral surgery in hospital but was not paying for oral surgery in the dentist's chair.

**Mr. Pierce:** That is right.

**Hon. Mr. Peterson:** It was seen as a major inequity in the system and was driving people into the hospitals. I am sure you are of the view, as I am, that wherever we can we should keep the system as efficient as possible. We should not have a system that brings people to hospital but one that uses the most efficient means to handle those situations.

We saw people taking advantage of this discrepancy in the funding process to put more cases in hospital that did not have to be in hospital. I cannot explain this case specifically. The case you talk about may very well have been a legitimate one that needed a hospital and general anaesthetic. Lots of people have wisdom tooth surgery in a dentist's chair in their own community. I am not a doctor and I cannot comment on this case, but that was the thinking that went into this question with the Ontario Medical Association and the dentists when the fee schedule was renegotiated.

**Mr. Pierce:** The cost of that surgery in the dentist's chair was much cheaper than the cost of the surgery in the hospital, recognizing that it would be a cost to the individual as opposed to a cost to OHIP.

**Hon. Mr. Peterson:** Or insurance.

**Mr. Pierce:** I can only say it is a problem, one I am sure you are aware of. There are people who are very concerned about it. It just imposes one more hardship on people living in northern Ontario.

**Hon. Mr. Peterson:** It is not northern Ontario; it is a province-wide policy. I would not build this into an anti-north policy or point of view. I appreciate what you are saying and I am sure that it is a real hardship for certain people in those circumstances. I have tried to explain to you as best I can why the change came about. It was agreed to by most of the people involved.

**Mr. Pierce:** Let me now go to a more local issue with respect to construction programs in northwestern Ontario, road rebuilding and surfacing, and reconstruction and new construction. There has been a tender called on a piece of highway, approximately 11 kilometres long, from Highway 11B to Highway 622 in the Atikokan area. Our understanding was that the contract would be called in conjunction with another contract from 11B westerly for approximately 10 miles, because the smaller contract was too small to warrant a tender call. That was the information we were given last year. I see the tender call has gone out for 11B to 622. Can you tell me if the other contract is going to be called? Obviously, they are not being called in conjunction with one another. Can you tell me the schedule of calling the contract from 11B westerly for 10 miles on Highway 11?

**Mr. Tough:** May we check that? Mr. Aiken, do you have that in your schedule?

**Mr. Aiken:** We are trying to find it.

**Mr. Pierce:** While you are looking for that one, let me go back to an earlier conversation I had. In my remarks at the outset of the estimates of the Ministry of Northern Development and Mines I made reference to a cross-strip at the Atikokan airport. The Premier said he was really not aware of the problem with the cross-strip. I do not have Hansard with me, so let us just leave it at that.

On October 1, 1985, I wrote a letter to you requesting that you, as the Premier, involve yourself with a number of items in the Atikokan area. One, of course, was an additional 500 feet on the runway to accommodate possible use by Dash-8 aircraft. We found out the additional 500 feet was not required, and as a result, that request for funding for the 500 feet was withdrawn. At the same time, we asked for consideration of a cross-strip at the Atikokan airport, because there was a definite problem with being limited to only one runway with respect to aircraft getting in and out of Atikokan. I also related it to a conversation the Premier had prior to being elected, while he was in Atikokan and was grounded, that if he were ever elected Premier of the province a cross-strip would be built at the Atikokan airport. Of course, he was grounded at that time.

Since then, there has been correspondence back and forth among the municipality, myself, the Minister of Transportation and Communications (Mr. Fulton) and the previous Minister of Northern Development and Mines, but nothing has developed. Can you bring me up to date on what the ministry's comments would be with respect to the cross-strip at the Atikokan airport? The bulk of the pre-engineering has been done by the municipality. It has been provided to both the Ministry of Transportation and Communications and its federal counterparts. To date, there has been no positive response to the cross-strip. Perhaps you can give me an update on that one.

**Mr. Aiken:** With respect to your first question, we have the awards for January. We do not have February's yet but perhaps by Thursday morning we can answer your first question. With respect to the second question, that would come under the MTC's community airports program. I suspect the problem is one of priorities in funding but let me get back to you on that.

**Mr. Pierce:** Is there no assistance through the Ministry of Northern Development and Mines for runway construction?

**Mr. Aiken:** There is. The community and MTC attempt to deal with the funding problem, but if there is a shortfall then this ministry, under those circumstances, provides what might be



called 'topping up' to get the project under way. The basic responsibility falls with the community and MTC. We are the sort of good Samaritan who can be there to get on with it in a current construction year.

**Mr. Pierce:** I am thinking of the mechanism for funding and not necessarily of you being a good Samaritan. I could call you a number of things if there were a cross-strip in Atikokan, but I think we will wait until we see the cross-strip and I do not have to fly over to Fort Frances and then taxi back to Atikokan because there was too heavy a cross-wind.

**Hon. Mr. Peterson:** We might name it after you.

**Mr. Pierce:** No, I am not looking to have my name stuck on a cross-strip. We can pass that one up.

I want to stay on the Atikokan area. I am sure the Premier is aware that unemployment in the Atikokan area right now is approximately 35 per cent. Anything that can be done with respect to construction programs—I have to say that the resource people from the Ministry of Northern Development and Mines have worked very closely with the community of Atikokan and have done so for a number of years. It has a fantastic relationship with the community and I want to see that continue. Having said that, there is still better than a 35 per cent unemployment rate in the Atikokan area.

We sent the previous Minister of Northern Development and Mines on a mission to try somehow to persuade Great Lakes Forest Products to allow the Ministry of Transportation and Communications, through the Ministry of Northern Development and Mines or whatever other ministries had to be involved, to connect up the Snake Bay road, which is operated by Great Lakes Forest Products, to the Bending Lake road that was built and paid for by the taxpayers of Ontario so that our workers could have access to the Trans-Canada Highway and continue to work north of the Trans-Canada.

After two years of dealing with different people within the ministry, a worker in Atikokan is still required to travel 278 miles to his job. Yet he can drive up to the end of construction of the Bending Lake road, across the bridge—I do not know what the dollar value is on the concrete-structured bridge—where he is faced with a great big hole at the end of that road that cannot be breached by a four-wheel drive or anything other than a snow machine. He can drive down from the Trans-Canada Highway and come upon the same hole. He cannot breach it going in either

direction. Some of the workers have gone to the extent—

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**Hon. Mr. Peterson:** How many miles would that cut off a trip?

**Mr. Pierce:** About 130 miles.

**Hon. Mr. Peterson:** Just for one hole?

**Mr. Pierce:** For one hole.

**Hon. Mr. Peterson:** How big is this hole?

**Mr. Pierce:** It is a fairly large hole. I am going to go on a little further to explain that some workers in the area have tree-farmers and have breached the hole on a couple of occasions, yet somebody seems bent and determined to keep that hole open. They go back, if not the same day, and dig the hole out so you cannot get across.

**Hon. Mr. Peterson:** Mr. Tough, do you know about this? Who knows about this hole?

**Mr. Tough:** Are you talking about the Bending Lake road?

**Mr. Pierce:** I am talking about the Bending Lake road. It is constructed from the south end approximately 52 miles, and from the north end, 20-plus miles. Great Lakes Forest Products has a large, more than double-wide—

**Hon. Mr. Peterson:** Approximately how big is the hole? Is it a mile wide?

**Mr. Pierce:** The hole is big enough that you cannot get through it with a tree-farmer and you cannot get over it with a four-wheel drive. How big does the hole have to be? It does not matter how big it is; you cannot get through it.

**Hon. Mr. Peterson:** I have not seen the hole, but I will help you out. I will help fill in the damned hole.

**Mr. Pierce:** Will you speak up close to the mike because I am not sure Hansard picked that up. If you are going to fill in the hole, the workers will be able to get back or forth to their homes in less than the amount of time it takes them to make the round trip right now.

**Hon. Mr. Peterson:** Bill, what about this hole?

**Mr. Lees:** Mr. Pierce is right. There is a gap in the system. The issue has to do with Great Lakes usage of the Snake Bay Road. That is essentially a private road used by Great Lakes for hauling substantial quantities of forest products out of the bush. They were quite concerned about opening this road to a mix of private traffic and creating a safety hazard. Our ministry, together with the Ministry of Transportation and Communica-



tions, approached Great Lakes a year or a year and a half ago to see whether we could work out a deal. We came very close to it but I think they still have some uneasiness about the use of their road by private passenger vehicles.

**Hon. Mr. Peterson:** Just a minute. Presumably, this is not the first time this issue has surfaced. Is it because it is a private logging road and they are worried about legal liability?

**Mr. Lees:** That is part of it.

**Hon. Mr. Peterson:** They have left the hole in the road so Jack cannot go through.

**Mr. Lees:** The problem will eventually be solved when the Bending Lake road is completed. There will be access all the way through.

**Mr. Pierce:** In 1992 or 1993? By that time, the guys who are working up there will be dead.

**Mr. Hennessy:** They will be in the hole.

**Mr. Lees:** I think there were four or five people involved in this at the last count. Is that about the right number?

**Mr. Pierce:** I could name names. There was a minimum of two carloads who were working for Great Lakes. There were a number of people who were working for Pollard doing scarifying north of Sioux Lookout and also north of Ignace. The scarifying is now completed, but they scarified almost all last spring and all last summer and fall. In fact, they were scarifying right beside the hole. That was when they were able to breach the hole and get back and forth across it, but they would breach the hole on a Friday and by the time they got back up on Monday to go back to work the hole was back again.

**Hon. Mr. Peterson:** Obviously, somebody wants the hole there.

**Mr. Pierce:** There is no question about that.

**Hon. Mr. Peterson:** Have you talked to Great Lakes about this hole?

**Mr. Pierce:** I do not disagree with what Bill is saying. There is some question about legal liability with the road becoming a public access road. That is fine, but we have 500,000 miles of road in the bush, and on any given day somebody could question the legal liability of the road. At the same time, I can drive off the Trans-Canada Highway south on the Snake Bay road and come across nothing that would obscure me in driving right up to the edge of the hole. I can drive south on the Bending Lake road and drive up to the other side of the hole, so to me legal liability is not the question. It is a question of not making the road public for the sake of keeping any additional traffic off the road that might be there.

In fairness, Mr. Lees, when you were trying to work out some kind of agreement with Great Lakes Forest Products, it was its workers who had to drive the 278 miles to get to work and the company was not even prepared to allow its own workers over that road.

**Hon. Mr. Peterson:** So the problem is with Great Lakes, not with us.

**Mr. Pierce:** The province provides X amount of dollars towards the construction of road access and roads to resources. Some place, somewhere along the line, somebody should be able to wield a bit of a hammer and you have it in your hand.

**Mr. Foulds:** Mr. Pierce has a good point. You guys help pay for those roads.

**Hon. Mr. Peterson:** Bill, phone these guys up and ask them why they cannot fill in the hole. See if you can solve this.

**Mr. Lees:** I will be meeting with Great Lakes—

**Hon. Mr. Peterson:** Tell them I have a personal interest in this hole.

**Mr. Lees:** I will be meeting with Great Lakes next week, on February 17, so I will raise the point.

**Hon. Mr. Peterson:** Tell them this is a major issue in Toronto, this hole on the Snake road or wherever it is.

**Mr. Pierce:** I know Mr. Lees is well aware of the problem. We have talked about it on numerous occasions. We have been talking about it now for probably four and a half or five years that I am aware of.

**Hon. Mr. Peterson:** The hole has been there for five years?

**Mr. Pierce:** Yes.

**Hon. Mr. Peterson:** It is not something we created on June 26.

**Mr. Pierce:** No.

**Hon. Mr. Peterson:** I thought they brought in some bulldozers when we took over and dug this hole just to foul us up.

**Mr. Pierce:** But do not forget this was a new government and different things were going to happen. That is what people were looking for.

**Hon. Mr. Peterson:** We have been filling holes everywhere.

**Mr. Pierce:** They kept looking over the hole waiting for something different to happen and in two years it still has not happened.

Let me go on with one other item while we are on the Bending Lake road. Mr. Lees can stay with us for a few minutes. In the summertime,

the Ministry of Transportation and Communications maintains the road to the bridge; 50 miles of highway. It has gravel on it. I guess you would call it a class 3 or class 4 highway. The guard-rails are all in place and the signs are all in place, but in the wintertime nobody snowploughs it. I do not know the exact number of people who live up on that highway in the wintertime and want access their cabins. As you are aware, people in the north make a lot of use of their cabins 12 months a year, not just during the sunny days in the summertime but also in the wintertime.

Through numerous letters to the Minister of Transportation and Communications, we have requested assistance in ploughing the road in the wintertime. I am afraid those requests, petitions and letters from the people living up there have fallen on deaf ears. It has been suggested they would possibly like to form a roads board or possibly pay for the ploughing of the road. I really do not know of many highways in Ontario where we have to go around and take up a collection to get them ploughed when they are classed as highways. I also leave that one with you, while you are bridging the hole.

**Hon. Mr. Peterson:** What about that, Mr. Lees?

**Mr. Lees:** I believe the legal status of that highway right now is that it is a tertiary highway.

**Mr. Pierce:** It is named as a highway; it has a number.

**Mr. Lees:** A tertiary highway requires MTC to maintain the system in the summertime but does not require it to maintain it in the winter unless it can find someone with whom to share the cost. I guess the point is that it is a fairly lengthy section of highway and there are not enough people there to—

**Mr. Pierce:** It is better than 50 miles in length. We maintain it as far as the Ontario Hydro power plant, and I guess a little bit beyond. They go up to the first bridge, which is probably 15 or 20 miles up.

I should say, Premier, that there are private enterprises farther up the highway that are operating 12 months a year. It is an additional cost to his operation to try to keep a one-lane road open; I am talking about Brown's camp up on Clear Water West Lake. That person has been doing that for the past 12 years that I am aware of. Some day, somebody has to say, "We recognize this thing as being a highway." We recognize it all summer, but we do not want to recognize it in the wintertime.

**Mr. Lees:** The other point to be made is that this is a secondary highway under construction. Once it gets pushed all the way through to Highway 17 at the north end, it will of course be a full secondary road. At that point it will be maintained year-round. What we are dealing with now is an interim condition.

**Mr. Pierce:** Again, we are looking at a road that is slated for completion. If we go by the previous Minister of Northern Development and Mines, it was an accelerated program, 1991 or 1992; but that is a long way up there for a piece of highway, to be told that you have to wait for another five years before you can access it or make use of even the section that is constructed.

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I guess all I can do is try to impress on the minister that he should look at that situation. It is a thorn in the side of the people in Atikokan. They have over 35 per cent unemployment and their access to things to do is limited by the amount of access they have to the area. They use their cabins 12 months a year; there is no question about that. They have petitioned. I have presented petitions and I have sent letters. These people have written letters to the minister asking him to pay more attention. They are not asking that the road be ploughed four lanes wide every time it snows. They are saying, while the trucks are sitting at the Ministry of Transportation and Communications yard on Highway 11, what is wrong with sending one up to plough the road out? That is what their request is all about.

**Hon. Mr. Peterson:** Mr. Lees, see if you can put all that snow in the hole and solve both problems at once.

**Mr. Lees:** We will undertake to review that with MTC again to see if we can do something.

**Mr. Pierce:** All right. Let me move on to a question being asked of me. It is certainly a question in my mind. What does the Premier propose to do with the money that will be collected on the softwood lumber? Will it be used for job creation programs in northern Ontario? Will it go into Treasury? Where are we going with that money? What is happening to it?

**Hon. Mr. Peterson:** We have not seen any of it yet. We expect it is in the \$35-million to \$45-million range. It has yet to be determined whether that can be put back into mill modernization. It has yet to be determined whether it can be put into other aspects of forestry. It probably can be put into reforestation. Can it be put into logging roads? We do not know. That has been



one of the problems in the whole discussion since we gave up sovereignty.

I can say to you categorically that it will be put into economic development in the north. I cannot promise you it will all go directly into the forestry industry. It may be able to go into certain parts of it. We do not know. Again, that is the uncertainty of the deal we are locked into. We consider that to be directly out of the skin of northern producers and northern workers, so it will go back. Maybe we ought to take a few bucks and fill up that hole.

**Mr. Pierce:** Listen, I assure you that if you do that we can probably even get the road ploughed to get you up there.

**Hon. Mr. Peterson:** I appreciate that.

**Mr. Pierce:** I can say in all seriousness that certainly the softwood lumber producers in northern Ontario are even now asking what is going to happen to the money that will flow back to the province through the federal government.

There are also some very serious concerns. There have been discussions and talks. There have been indications that possibly the province will do away with the collection of the funds by increasing the stumpage fees. Being a northern member, I can tell you that is not a desirable position as far as northerners are concerned. We see that then reflecting on every piece of lumber one buys in Ontario. We see it reflecting and impacting on the pulp and paper industry as well. We do not think we can absorb that additional cost for the sake of somebody to the south of us who thinks our industries are being heavily subsidized. I just give you that as a comment.

**Hon. Mr. Peterson:** Ontario's stumpage is not out of line. Ontario is not the cause of this problem. It had been elevated in the past. Quebec has now moved to bring it up, as you know. Even though we got hit by the countervail, it was not Ontario that caused the problem. If it had been just us, it would not have been done. That was a well-managed issue from Ontario's point of view. It was British Columbia they were after, and when they threw out the net they got us.

That is, of course, one of the causes of some internal dissension in the country. I am sure Mr. Bernier has been very familiar with this over time. I am sure he probably had discussions with his counterparts in British Columbia, warning them. It was not hard to see this thing coming. It probably could have been prevented some years ago.

To get a 15 per cent increase in wholesale price would take a dramatic increase in stumpage, 10 times, maybe 15 times. You are going from \$4

average, or whatever it is, to \$20 or \$30, and it would impact on the other industries. You are quite right. I am mindful of what you are saying, and believe me, we are extremely sensitive to the competitiveness of our forest industries. We will not do anything overtly that jeopardizes that ability to be competitive.

**Mr. Pierce:** While we are on the subject of forestry, it brings forward the subject of workers' compensation. I am sure the Premier has become very aware of the cost of workers' compensation to a person working in the woods industry.

I have people in my riding who have been in the bush in excess of 40 years, some as many as 50 and 55 years, and have built up a fairly significant portfolio and large companies, that are now shutting down. I say shutting down and I say conclusively that they have shut down and sold their equipment because they cannot afford to pay the Workers' Compensation Board rates being imposed on them.

**Hon. Mr. Peterson:** What would you do if you were us?

**Mr. Pierce:** Let me just continue. Let me give you an example of an individual who was paying \$17.80 per \$100. An accident on his job and the final payout to the claimant was—and I could be wrong on the final figure—\$21,196. The reassessment to the employer was \$37.80 per \$100 for the next three years, and then it would reduce as his accident rate reduced along with it.

The only advice I could give the individual was that he shut down his operation, that he keep a tree farm for him and his son. They could go out in the bush and make their money between the two of them, and the rest of the employees would have to go.

**Hon. Mr. Peterson:** You gave him that advice?

**Mr. Pierce:** That is in fact what he did, because he could not afford to be in business at \$37.80 per \$100. Nobody can.

**Mr. Chairman:** You said \$37.80?

**Mr. Pierce:** Yes, \$37.80 per \$100.

**Hon. Mr. Peterson:** Did you go down and talk to the board?

**Mr. Pierce:** Yes. Under the new experimental experience rating plan system of rating, he is assessed that amount of money.

**Mr. Chairman:** I thought the maximum amount was \$25.80.

**Mr. Pierce:** I can show you the correspondence; I have it in my office. I would be prepared to share it with you. It has become a serious



problem with the rate structure to the extent that we now have people working in the bush who are not taking WCB. I am afraid that that becomes more of a problem than the actual rate structure itself, because we now have people who are not covered.

We have all kinds of contractors who are doing everything they can think of to manipulate their way around the system of having to cover employees for WCB. They do it by leasing a machine to them, by leasing part of a contract to them and by just about any method possible so that they are not responsible for covering them for WCB. I am sure that is not what we want to see happen in this province of ours today. We are regressing instead of progressing in WCB. It gets scary when you listen to some of the horror stories that are being told out there.

**Hon. Mr. Peterson:** I understand what you are saying but, with great respect, you are not hearing the whole story. Wait until you hear about the unfunded liabilities at WCB. It is an awful mess.

**Mr. Pierce:** I have heard the story of unfunded liability.

**Hon. Mr. Peterson:** These things do not happen for free. Are you recommending that we take tax revenue to cut the rates down? If that is your opinion, that is fair enough. What is the unfunded liability in WCB now?

**Mr. Chairman:** It is \$5 billion.

**Hon. Mr. Peterson:** It is \$5 billion. Who is going to pay for it? Who do you recommend should pay for it?

**Mr. Pierce:** That is the question I am asking you. Where do we go with WCB? You are the person in charge of this government. Where do we go with WCB? What do we do with these people out there who want to work and cannot work because of the rates on WCB or are being laid off from a job because of the rates that are required for WCB? When do we clean up that mess? When do we do something with it?

**Hon. Mr. Peterson:** As you say Mr. Pierce, we are cleaning up the mess, but you are right that it is a mess. You may want to discuss this with some of your colleagues about how it developed into this situation, because we have been discussing it around here for years and it just kept getting worse and worse and worse. The claims were not being satisfied. Lots of injured workers were not getting well treated. On the other hand, rates were running. Nobody was happy, nobody.

1730

I think we have brought in some major overhauls that will have an impact over the long term. It is like running a deficit, a liability. Somebody has to pay some time.

**Mr. Chairman:** I tried to get the Premier to come to New Zealand with me last fall to look at its system, but he was otherwise occupied.

**Mr. Pierce:** I do not think it matters where you go. I was in the state of Minnesota over the weekend and the newspaper sitting on the counter of the motel had the headline, "WCB Out of Control in Minnesota."

It does not appear to be limited to the individual area you are in or the province you are living in. It would appear that WCB is a problem no matter where you go. You are the government, and I guess these are the problems we are faced with and these are the problems you have to address. I can only say to you, and I say it with all respect, there is a real problem out there in an area where one does not have a lot of alternatives to working other than working with the resource industry.

It would appear to me, because of history in the bush, whether it be the result of neglect on the part of the employer or on the part of the employee, that there are substantially higher rates, but that does not solve the problem of what we do for people to work. It is a problem that has to be addressed by you.

**Hon. Mr. Peterson:** It does not solve the problem of injured workers, either.

**Mr. Pierce:** That is right, and I am not proposing that the blame be on the employer or on the employee, because it is shared by both parties and both parties are prepared to take some of the responsibility. But that does not solve the problem of working today and being able to work for somebody who is out there to provide the jobs.

We recognize it is great in larger companies where they have the resources to put together the proper training programs for safety, but what is happening in northern Ontario today is that there is a real driving force by large companies to go to private contractors. These private contractors are prepared to work probably just a little bit harder than they do under normal circumstances when they are working for a large company, and that may be what is creating some of the accidents. Those accidents did not just happen in the last year. They have happened over the period of the last 25 years.

**Hon. Mr. Peterson:** That is why the rates are so high.

**Mr. Pierce:** I will take a break and pass.

**Hon. Mr. Peterson:** A break for you or a break for us?

**Mr. Pierce:** Those are the easy ones.

**Mr. Foulds:** I just have three minutes that I want to spend with the minister on economic rent for resources in northern Ontario. I know that the responsibility for the collection of the mining tax has passed from the Ministry of Natural Resources through this ministry to the Ministry of Revenue at the present time. Does your ministry have, or did it have, statistics on how much the mining sector paid; first, in mining tax; and second, in corporate income tax over the last five or six years?

**Mr. Tough:** We have information on the amount of mining tax paid by the companies, and presumably the Ministry of Revenue would have had the data on how much corporate tax was paid by the mining companies; although in the case of companies that were in more than the mining business, I am not sure they could attribute it just to the pithead revenues.

**Mr. Foulds:** One of the things that bothers me is that when you create a Ministry of Northern Development and Mines, presumably one of the reasons you do so is that you want to—what I would want to do with it is to diversify the economy of the north and to solve a number of the problems that I have spoken on at great length in the House. I need not repeat here.

It seems to me that what you need to know is the base from which you are working. The base from which you are working would be the economic rent, what you get from it in terms of the people—not just the jobs, but what you get. I always find it startling that this sort of information is not easily and readily available.

**Mr. Tough:** We can make that available, I think. The data are there. The amount of the revenues derived from the mining tax over the past five years is certainly available.

**Mr. Foulds:** On an annual basis?

**Mr. Tough:** Yes.

**Mr. Foulds:** We had some stats from a presentation made to us by Inco. I just want to verify that.

**Hon. Mr. Peterson:** I am sure we have it, because they went through it when they drew up the new act and tried to figure out the revenue impacts of that.

**Mr. Foulds:** Yes, I know. I have serious questions about the new mining tax. I think my research on this is actually better than the present minister's for once. I believe that you are going to have a shortfall, that there will be a loss in revenue. It is not a revenue-neutral bill. Although it started out that way, there is in fact a loss of about \$25 million to the Treasury. Arguments are made that there will be an increase in revenue, but that is not as a result of the changes in the bill. The increase in revenue will result because of the boom at Hemlo. In fact, you will decrease your revenue from that because you have established a flat tax.

**Mr. Tough:** May I make a short comment on that? That is something I know the Ministry of Revenue will be prepared to discuss with you. We were involved in the stages before the transfer took place. What our people did at that time was to go back over about a decade and say: "What if the new system had been in place over the past decade? Would the total revenues over that period have been any different?" One test in terms of revenue neutrality was, how would that have had an impact on the industry?

Through the various changes that took place, it was determined that in fact about the same amount of revenue would have been collected. Within that, of course, there were different impacts on different companies. Some of them were better off and some of them were worse off. We are quite prepared to share that with you. You might like to talk to Revenue and the Ministry of Treasury and Economics, but that was done in our ministry some time ago.

**Mr. Foulds:** I would be fascinated to see the 10-year data. The impression I had when I had the briefing from Revenue and Treasury was that their estimate seemed to have been frozen in 1984. The conditions in 1984 obviously do not apply in 1986 or 1987. I also was given the impression that instead of taking the 10 years on which you say you have accumulated the data, they took one good year, one bad year and one medium year. If you have different data and research, I would really appreciate getting that.

**Mr. Morin-Strom:** I would like to address economic development in the Sault area. One of the opportunities that has been pursued in recent years has been in the area of tourism, most specifically in terms of balancing the tourism trade, encouraging ski area development. I know you are familiar with Searchmont. You were up there several weeks ago to see that operation.

**Hon. Mr. Peterson:** It was fabulous.



**Mr. Morin-Strom:** The opportunities in the area are tremendous. They have never been developed to the extent that Thunder Bay has been able to develop its opportunities as a major market for the Minnesota area, primarily from the United States. In the Sault, with the connection we have down into Michigan, we have access to a market larger than that of Ontario. Michigan's population is larger than Ontario's, and right down to the Chicago area we attract a considerable number of people.

**Hon. Mr. Peterson:** How far is Chicago from Sault Ste. Marie?

**Mr. Morin-Strom:** Chicago is a good 450 miles; Detroit is 350 miles; Lansing is under 300 miles.

**Mr. Foulds:** About as far as Thunder Bay to Winnipeg, Thunder Bay to the Sault.

1740

**Mr. Morin-Strom:** Anyway, the Searchmont area is getting off the ground at this point with an infusion of capital. Major development is going on there. One project that has been hanging over the Sault's head, and in fact was probably a contributor to the failure of Searchmont and its bankruptcy, was the BILD commitment back in 1981 to the King Mountain development. There was a commitment of \$20 million from the province that was to have been matched or more than matched by private development funds to get that project off the ground.

I asked the Minister of Industry, Trade and Technology (Mr. O'Neil) questions on this issue last year and I got a response back from him. I brought it up again at this year's estimates, but the response indicated that the project is now primarily the responsibility of the Ministry of Northern Development and Mines. As a matter of fact, a letter from Hugh O'Neil states "The Ministry of Northern Affairs and Mines"—this was before the change in title—"is now responsible for outstanding BILD commitments in northern Ontario."

That project, on which no tangible on-site work has ever happened, has had considerable commitments of funds from the province. A loan of \$220,000 was extended in 1984 and a further demand loan in the amount of \$200,000 was issued in 1985. In January 1986, another \$77,000 brought it close to \$500,000. My understanding from talking to the Minister of Industry, Trade and Technology and his staff is that a further loan guarantee was provided at the end of this year. The loan was made last year, and the stipulation was that the extension of repay-

ment of the two previous loans plus accrued interest was granted to December 31, 1986, when the three loans became due and payable.

In fact, you have not asked the company to pay off the loan. I think it creates tremendous uncertainty in terms of where we are going with a ski area development and it conflicts with some other potential developments in the area.

**Hon. Mr. Peterson:** Like what? Do you mean other ski developments?

**Mr. Morin-Strom:** Yes, other ski developments. There has been a major proposal in the Haviland area, which is very close to it and could be of similar scale. It is probably not of quite the same scale, but in terms of ski area and height of the ski development, it is a comparable opportunity for a ski operation right on to the shores of Lake Superior. In some sense, there is perhaps an even greater opportunity to tie it up into summer development as well, right on the shore.

Meanwhile, the Ministry of Tourism and Recreation just did a release, and within the last week, February 3, it has granted another \$50,000 loan to Buttermilk Ski Village to upgrade its ski lodge and purchase new equipment. This is a smaller development a couple of miles from King Mountain which has been getting a series of smaller loans or grant supports. I do not know exactly what the mixture is.

At the same time, King Mountain also has the complication of having been extensively developed as a cross-country area. The Stokely Creek Lodge is, undoubtedly, the foremost cross-country ski development in the province today. It has been rated in reviews in the United States as the best cross-country area in the province. It is located on the slopes of King Mountain and its trails go completely around King Mountain and up the sides. It will be completely disrupted by the King Mountain development.

It is an area that is bringing in several hundred skiers every weekend. Any time you are there, and I ski there fairly regularly, at least two thirds of the vehicles are from the US. There just seems to be a lack of direction. King Mountain, because it is such a big proposal, has been overhanging the whole area and depressing the opportunities and the pursuit of some of the other ski opportunities that might be pursued by private developers if there was not a feeling that: "If King Mountain goes ahead, all the business will end up going there and the rest of us will be wiped out."

You may not be as familiar as Mr. Tough and some of his staff are with the conflicting nature of these proposals. I would like to know when the



Ministry of Northern Development and Mines, which I assume should be the co-ordinator of this whole thing, is going to lay out a real strategy and determine whether it is going to continue to support this project which has been going on for six years.

**Hon. Mr. Peterson:** Do I gather from that, and I do want your advice on this, that you are not as wildly enthusiastic about King Mountain as some others may be? I am not trying to—

**Mr. Morin-Strom:** No, I have some concerns about whether it is ever going to happen and the people of Sault Ste. Marie—

**Hon. Mr. Peterson:** I talked to Frank Rush last week. I ran into him, interestingly enough, very much by accident. I said, "How is it going?" He said he had just secured a lot of private money. He was very optimistic, more optimistic than I have seen him. The big problem over the years, and this has gone on for years, was that he could not put the money together. He did not have the private sector participation.

I gather he has devoted his life to this project, at least recently. I knew him only because he was a lawyer at the law firm I articulated with about 120 years ago. He has taken up this project and he told me that it was all starting to come together. Mr. Tough may have some more information.

**Mr. Tough:** I have some supportive information on that one and Mr. Aiken has a good knowledge of the other developments there. He has something within the limits of—we are concerned about talking too much about some of the other ones in terms of the commercial side of it. In terms of the King Mountain project, I think we have shared a concern that we wanted to market test it here; we did not want all government money going into that project.

The last time we reviewed it with Mr. Rush we said it was our intention to stay with the project and maintain the province's existing commitment, which you mentioned at the outset of your remarks, but we wanted the private sector to become involved. Our information is that there has been some advance in that regard. As we understand it, one of the reasons Mr. Rush has got together some additional money is to provide the basis for a prospectus for a private-sector equity funding exercise. We have no way of knowing whether this will succeed, but at least it is more than we had a year ago.

**Mr. Aiken:** Yes, he is much closer than he has been in the past, as the Premier indicated. He has a financial package that still depends on some things happening, but I do not think in all the

years he has been closer to realizing his dream than he is now. Richardson Greenshields of Winnipeg is prepared to handle the public offering. The prospectus the deputy mentions will be in preparation. If those things happen, then he could be thinking about construction as early as next year. In the meantime, however, he—

**Mr. Morin-Strom:** 1988.

**Mr. Aiken:** No, starting some time before the end of this calendar year. The first phase is about \$50 million. Part of his problem in the past at the time the agreement was signed was that he was facing very high interest rates. Investors were not looking at ski hills as good places to put their money if they could get 17, 18 or 19 per cent in Treasury notes.

In terms of the other locations, they are not threatened; in fact, they are complemented. I think there is a kind of synergism. If you can bring together a number of skiing opportunities, then skiers will travel a very long distance in order to sample the various hills that are available to them: Stokely for cross-country; Searchmont, Buttermilk and the other one you referred to, Haviland Heights.

#### 1750

I was at a meeting on Friday morning with the promoter and the representatives of the Ministry of Natural Resources. They are now drawing up some terms of reference for a further investigation into that facility. It has the capacity to be a four-seasons facility. It is on a highway. As you say, it has a hill that is only 100 feet less than King Mountain, but it would be equipped with marina, beach property and a golf course. As I say, they are not in competition the one with the other. If you take the opportunities in their totality, then you begin to have the makings of a destination attraction, both wintertime and summertime. We are feeling rather more positive about this.

**Hon. Mr. Peterson:** All the people I talked to up there see it exactly as Mr. Aiken does. It is all complementary. They can sell passes to ski on all the hills and that kind of thing. I was knocked out by Searchmont when I was there. I had no idea that it was such a fine facility. It is pretty, it has those great hills, well done. Somehow the word got out they need the market in Michigan to make this thing pay. It really is a fabulous resource. If that were near Toronto or if that were within five hours of Toronto, it would be jammed all the time.

**Mr. Morin-Strom:** I just want to ask if they can provide us with information on the financing proposal; and in particular how much additional government revenues are likely to be required for it.

**Hon. Mr. Peterson:** We are not going to do that now. Obviously, we will look at that when Mr. Aiken brings it back to the government. When he gets his deal we will be crawling all over that information in detail. We will share that with you at the appropriate time. It is not there now.

**Mr. Bernier:** I have two very important items. In view of the time, I would like to just touch on one quick one. It is a follow-up from that of my colleague the member for Rainy River (Mr. Pierce) with respect to the northern travel allowance. Is the Premier aware that there are 20,000 people in the immediate Kenora area who are denied northern travel allowance when they go into Winnipeg, Manitoba, for health care services, because they are under the required 300 kilometres?

I brought this issue up with the Minister of Health last year. He was very sympathetic, and he indicated at that time that this was a new program and that they were ironing out all kinds of little problems and kinks in it, but he left me with the impression that this discrepancy, or whatever you want to call it, would be corrected. I have lived in the hope that it would be corrected. There is a need for a review of that program. As my colleague has pointed out, there are some weaknesses in it.

With regard to the 20,000 people in the immediate Kenora area, they are most upset because they are automatically transferred from the Lake of the Woods District Hospital to Winnipeg. If they drive it is not within the guidelines and they are denied any travel assistance. It is causing problems. I have to say to you in a very political way, do not call an election

until you get that issue fixed up because your Liberal candidate will have it on his doorstep.

**Hon. Mr. Peterson:** We want you to continue representing that area anyway.

**Mr. Bernier:** I serve you warning.

**Hon. Mr. Peterson:** We are trying to help you out.

**Mr. Bernier:** You had better help your candidate out. By helping your Liberal candidate you will help my 20,000 people.

**Hon. Mr. Peterson:** I am very grateful for this political advice. I do not get enough advice. I thank you for bringing that up and I will talk to the minister. I was not aware of this problem.

**Mr. Bernier:** It is something that is causing problems. There is no question about it. They feel discriminated against because of that. They are short 40 miles or something.

**Hon. Mr. Peterson:** When do you think we should call the election?

**Mr. Bernier:** Any time. I am ready any time.

**Hon. Mr. Peterson:** Do you have any advice on that?

**Mr. Bernier:** I am ready to go.

**Mr. Pierce:** Right after you clear that up.

**Mr. Bernier:** I just bought a pair of new running shoes and am ready to go.

**Mr. Chairman:** Have you cleared this matter with your leader?

**Mr. Bernier:** He is raring to go too. I think he has a new pair of running shoes.

I have another issue if I could start when the meeting reconvenes on Thursday.

**Mr. Chairman:** This would be a good time to break. Tomorrow, the committee meets in the afternoon to deal with Bill 115. On Thursday morning, we meet again for the last time to deal with these estimates.

The committee adjourned at 5:55 p.m.

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### **Witnesses:**

#### **From the Ministry of Northern Development and Mines:**

Peterson, Hon. D. R., Premier and President of the Council, Minister of Intergovernmental Affairs  
 and Minister of Northern Development and Mines (London Centre L)  
 Tough, G., Deputy Minister  
 Tieman, W. D., Assistant Deputy Minister, Mines and Minerals Division  
 Aiken, H. J., Assistant Deputy Minister, Transportation Division  
 Lees, W. L., Assistant Deputy Minister, Northwestern Regional Office









No. R-25

# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

#### **Standing Committee on Resources Development**

Estimates, Ministry of Northern Development and Mines



#### **Second Session, 33rd Parliament**

Thursday, February 12, 1987

Speaker: Honourable H. A. Edighoffer

Clerk of the House: C. L. DesRosiers

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### STANDING COMMITTEE ON RESOURCES DEVELOPMENT

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# LEGISLATIVE ASSEMBLY OF ONTARIO

## STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Thursday, February 12, 1987

The committee met at 10:06 a.m. in committee room 2.

### ESTIMATES, MINISTRY OF NORTHERN DEVELOPMENT AND MINES (continued)

**Mr. Chairman:** The standing committee on resources development will come to order. It was agreed at the beginning that we would be able to discuss all the estimates without specifying votes. This is the last session. We will adjourn at 12 or whenever the bells start to ring for the vote and carry the estimates before then. We will probably have to start lining them up a little early so we can carry the votes and go through that process before we adjourn. Mr. Wildman, you are first on the list.

**Mr. Wildman:** I want to say at the outset that I have—

**Mr. Bernier:** When we wound up last session, it was agreed I would go on this session.

**Mr. Wildman:** I am quite willing to have you go ahead. The only problem is I have to go up for the—

**Mr. Bernier:** I have to go up to support you, so I have to go up too.

**Mr. Wildman:** Okay, go ahead.

**Mr. Bernier:** I have a couple of items. I would like to put on the record that last Saturday I had the opportunity of taking a contingent of people to Sandy Lake for the burial of the late Tom Fiddler. Tom Fiddler was the chief of Sandy Lake for some 27 years. The staff will know that. His father was the chief for 37 years.

**Hon. Mr. Peterson:** Just like the Nixon family.

**Mr. Bernier:** That is right. He was a very well respected and intelligent leader for the native community. In fact, I had the opportunity in the eulogy to compare Tom Fiddler as being to northwestern Ontario what John Diefenbaker was to western Canada. He was that kind of leader. He was recognized as a healer, a medicine man, and gave direction and advice to judges, police officers, politicians and his own people. He will be sorely missed. One of the really great native leaders was buried last Saturday. I state that as a matter of interest.

Before we finish these estimates, I hope that if the staff do not have it prepared today they will bring the information on the effect the 20 per cent rollback the Canadian Radio-television and Telecommunications Commission applied to Bell Canada will have on the communications portion of the Ontario Northland Transportation Commission.

Also, you have some information on the minister's staff, numbers and salaries. I think we asked for that too. If you do not have it, you can table it or send it over to us.

I would like to spend a few minutes discussing a very important item, important to us in northern Ontario and to the mining industry, the Haileybury School of Mines. I would like to learn from the staff just what the situation is at Haileybury with regard to that school. I understand there seems to be a problem with enrolment. I would like to know what the future of that school is vis-à-vis the ministry's thrust to move the mining excellence portions to Sudbury. Will Haileybury be phased out as a college? Will it be moved to Sudbury?

There is concern among the mining industry because it is one of the finest schools related to the mining industry, not only in Ontario but indeed in Canada. There are graduates from that school scattered all around the world, as you know. Those are some of the issues we would just like to touch on.

1010

**Hon. Mr. Peterson:** You are absolutely right. There are no plans to move it. You are quite right, there was a problem of declining enrolment. It has been looked at. Can I ask Dennis Tieman to come up and we will have a good discussion of this issue. Dennis, you are more on top of this than I am.

You are quite right. I know in talking to the minister involved in this—he has been there talking to the people, Mr. Bernier—they were looking at this enrolment problem and trying to figure out why, what we can do. Our intention is not to bleed off that thing into Sudbury. There is no secret or hidden agenda of the government to close that thing down.

Dennis, am I right in thinking we have even put an extra infusion of cash into that situation beyond its normal grant to help it over this rocky

period as this committee is looking at securing its long-term position? Dennis can speak more intelligently than I can and I would also like your ideas on things as we get into it.

**Mr. Tieman:** The Bruce Ross committee was established by the Premier (Mr. Peterson) towards the end of October. It has conducted detailed interviews with, I think, 31 of the major companies about their long-term five-to-ten-year requirements for the types of graduates that Haileybury produces. As well, it has looked at the whole university system of producing mining engineers.

It also met with, I think, four universities, a number of community colleges which have programs that are somewhat mining-related, or in the case of Cambrian are comparable in some ways to the Haileybury programs. It has now finished all of that and is working on a final report.

I do not want to pre-empt Mr. Ross' report, but the committee, on the basis of all the discussions and meetings it has had, is convinced Haileybury should be maintained and possibly restored to its former glory over time. The challenge is to develop programs that are going to be relevant to the next 10 years, and will attract students.

It is not fundamentally a financial problem. It is a problem of having programs that will bring students in and bring the enrolment back up. I think it is down to 78 this year from previous highs of around 200. There is a feeling that the facilities are excellent. I do not know how many people have been through the school, but it is an excellent school. The feeling is that a capacity of about 150 students is an ideal level to pursue.

Mr. Ross' report should be ready for submission to the minister by about the end of the month. It may be a little bit into March. Mr. Ross is away on two weeks' holiday right now, but I know he has every intention of wrapping it up by the end of the month. By the time we get it typed and all those things, it may be a week or two after that.

**Mr. Bernier:** Will we receive copies of it?

**Mr. Tieman:** I think so. I have not discussed it with the minister, but I would think the report will be made public very quickly after that.

**Mr. Bernier:** Mr. Minister, you are aware we have set up the Haileybury School of Mines endowment fund under Ontario corporation number 691743. It is an endowment fund that will assist in the development of future promotion, development, enhancement and enlargement of the Haileybury School of Mines at Haileybury.

I just want to put on the record some information with respect to that endowment fund, because I personally am a member of the founding directors. They include—I am sure Mr. Tieman is aware of them—William James of Falconbridge, Wilson Barbour of Noranda Mines, Henry Knowles, a barrister and solicitor here in Toronto, Maurice Brown, publisher of the Northern Miner, John Slack, who is a local executive here in Toronto, Harold Watts, a very well-known, popular prospector, and Patrick Sheridan, a mining engineer.

They have come together and established this endowment fund to guarantee the future of the Haileybury School of Mines. I want to put on the record the objectives of the corporation, which are:

"To solicit and receive, subject to the Charitable Gifts Act of Ontario, donations in the form of money or securities or kind, and to maintain a fund or funds for the purpose of holding such donations and to apply all or parts of the capital of such fund or funds and all or parts of the income therefrom to the charitable and educational purposes of the corporation, being:

"1. To provide endowments to the Haileybury School of Mines;

"2. To provide gratuitously chattels of every nature and kind;

"3. To provide gratuitously goods and services of every nature and kind;

"4. To award grants to full- or part-time faculty members of the Haileybury School of Mines;

"5. To award grants, scholarships and bursaries to full- or part-time applicants to become full or part-time students of the Haileybury School of Mines, a campus of Northern College of Applied Arts and Technology."

I will give you a brief outline of our goals in this endowment fund. We met last Tuesday to bring the fund formally into being. We have applied to the federal government for a charitable donation number, which we expect to have very soon. Then we will go out to the mining industry to solicit its financial support.

What we are looking at is about 1,000 shares from each major mining company, which will be brought into the treasury of the endowment fund. The funds from those shares would be used on an annual basis for the items I have just outlined. We think we can raise, with relative ease, about \$1 million, possibly \$2 million, that will set up the endowment fund and go a long way to assisting, in a very positive way, the needs of the Haileybury School of Mines.



I think the mining industry has seen and is very proud of the Haileybury School of Mines. There is no question about it. They are proud of it; they want to see it continue. They are prepared to put in their dollars in order to make sure that happens.

In the event that we are successful in raising these amounts of moneys, would the government consider matching those dollars, on a one-for-one basis or two-for-one basis or a five-to-one basis, which would give us some encouragement in going to the industry for support for the school—I think it is the right way to go. I do think the private sector should be involved. It should not always be the taxpayer carrying the load, because the mining industry does benefit from the school and from the students who graduate from it.

I am excited about the idea; I really am. I think it is a step in the right direction, and it does put the private sector up front.

**Hon. Mr. Peterson:** As you say, I think it is a great idea. I congratulate you for your role, and I think it is most constructive and complements everything the government is doing in that regard. May I say personally, if I can be of assistance in some way or other, I would be happy to do it, not only as the minister now responsible but also as the Premier? Count on my support, and please offer that. I would be very happy to do that.

As a matter of fact, I think I have to speak to the mining association. Maybe I should give them a pitch.

**Mr. Bernier:** Yes, that would be an appropriate time.

**Hon. Mr. Peterson:** I think it is most constructive. I am sure we will be happy to participate. Whether it is matching dollars—give me a little time to work that out—whether that is the right approach or whether we should put in money in other ways; whether it should go into the endowment fund or in other ways.

In broad terms, I am very supportive. I think it is a great idea and most constructive. We will continue in our commitment. We have to try to figure out the best way to put our dollars in, whether it is in the endowment fund or whether it is in beefed-up operating funds or more labs, I do not know. I have to take advice on that.

1020

**Mr. Tough:** Mr. Chairman, may I make a brief comment? We think it is a dandy idea. We would emphasize, though, that the basic problem with Haileybury is not necessarily a shortage of

funds. More funds will certainly help, but the basic problem we see, and Dennis Tieman mentioned this, is a kind of structural problem; that is, finding the right role for Haileybury within the whole context of a mining centre of excellence.

It has a role to play and, as you are aware, that role has been seen to be, at least by the alumni—of which my family is a part—as having been eroded by what it would see as a proliferation of those kinds of courses in other places.

We are trying to get something that is complementary to the system and make it a place that people want to go again. That is not necessarily just by the infusion of money but by making sure you have a syllabus there that makes it an integrated part of the mining education field. That is what Mr. Tieman's committee and Bruce Ross is looking at.

**Mr. Bernier:** If I may pick up on that point, one of the areas that was discussed at length during the meeting last Tuesday was an effort or a program to increase enrolment. It would mean a visit or some support to the counsellors in the various high schools across northern Ontario to make them aware that this facility is there, that it is a facility of excellence in the mining field and that students should be encouraged to go in that direction. That came from the mining people themselves.

**Hon. Mr. Peterson:** May I ask you a personal question? What do you think is its role or should be its role with respect to foreign students?

**Mr. Bernier:** I think they should be invited. I really do.

**Hon. Mr. Peterson:** You are quite right; there are graduates all around the world. It is better known outside the country than inside the country.

**Mr. Bernier:** Yes.

**Hon. Mr. Peterson:** How much is the Canadian International Development Agency paying? Is CIDA a big funder?

**Mr. Tough:** I am not sure about this year, but I am sure Mr. Bernier and maybe Dennis know more. Personally, I know of probably a dozen people who came from Third World countries to Haileybury for training. A number of those people are now in very senior executive positions in the governments to which they have returned. We think there is a role there, and we have a lot of salesmen around the world.

**Mr. Bernier:** I am just doing my part to make sure Mr. Ramsay gets re-elected.

**Hon. Mr. Peterson:** I appreciate it.

**Mr. Bernier:** I am always being helpful.

**Mr. Ramsay:** Thank you very much.

**Hon. Mr. Peterson:** If you help him we will help you.

**Mr. Bernier:** I am very encouraged by those remarks.

**Mr. Wildman:** As I indicated on Monday, I was not going to be able to be present at the last session of the estimates because an emergency meeting was called in Wawa by the municipal council to discuss the future of that community. Mr. Gervais, the federal member, and I were invited, along with representatives of this ministry and other private sector people.

It was a very big meeting considering any community, but particularly considering the size of Wawa. There were about 500 people there, which is about one tenth of the total population of the community.

**Hon. Mr. Peterson:** Were they discussing the Indian fishing agreement?

**Mr. Wildman:** No, we were not.

We went through a very long agenda, looking at a number of issues related to the economic future of Wawa, but there is one particular matter that I would like to raise this morning. Mr. Aurèle Gervais, the federal MP for Timmins-Chapleau, who represents Wawa at the federal level, made an announcement which I would like to get some clarification on.

Mr. Gervais stated that the federal government had signed an agreement with the Algoma Central Railway for subsidization of the freight rate for Algoma Ore sinter going to Sault Ste. Marie. He said he was not at liberty to give out any details of the agreement, how it might relate to countervail or how that might be avoided, but he said it could be avoided because of the way the agreement is structured. He said an official announcement would be made by James Kelleher, the MP for Sault Ste. Marie, in Wawa next week.

Subsequent to Mr. Gervais's announcement, there was a front-page story in the Sault Ste. Marie Star reporting his announcement and asking for comment from Mr. Kelleher. Mr. Kelleher indicated in that press story that he was unable to confirm Mr. Gervais's announcement. He did not deny it but he said he was unable to confirm it.

Subsequently, there was an indication on the electronic media that the holdup on the announcement was at the provincial level. There was speculation, and I underline the word

"speculation," in the media that the holdup related to questions about arrangements for making the announcement, whether the announcement would be made by the Premier or some other representative of the government. I would like to know whether, indeed, Mr. Gervais was correct in his announcement; and if he was, can we clear up this speculation on the reason, if there is one, for the delay in the announcement?

**Hon. Mr. Peterson:** Somebody told me you announced the deal last week.

**Mr. Wildman:** I announced what I thought—

**Hon. Mr. Peterson:** Everybody is announcing a deal they do not know anything about.

**Mr. Wildman:** To be fair, I did not announce a deal. The headline said I announced a deal, but that is not what the story said. I announced basically what I had been told here in estimates, that the federal and provincial governments had both made offers to participate.

**Hon. Mr. Peterson:** That is correct. I will give it to you in broad terms and Mr. Tough can give it to you in more detail. As you know, from the beginning I have been involved in this for—I do not know, six months or maybe longer.

**Mr. Tough:** April.

**Hon. Mr. Peterson:** April.

I had some preliminary discussions. We said then, as we say now, that we were prepared to play a role but we felt we had to get all the parties together. It was not easy doing all that. Then we got a notice from Mr. Kelleher a couple of weeks ago saying he was prepared to participate. I guess that is when we recorded this in the discussions we had here.

**Mr. Wildman:** Yes, that is what I announced.

**Hon. Mr. Peterson:** That is right and I want to thank you very much for announcing it. It saves us a trip. I appreciate your doing that.

**Mr. Wildman:** Travel expenses paid.

**Hon. Mr. Peterson:** Yes, travel expenses; you get beaten up for that around here. You get beaten up when you stay home and you get beaten up when you get out of here. I do not know what you are supposed to do; maybe just go home and sulk.

Anyway, my guess is he is semi-correct but not completely correct. It is not tied together but it is close to being tied together, is the answer to the question. Mr. Tough, can you give them all the details you know? You know more about this than I do.



**Mr. Tough:** Strange as it seems, I cannot give Mr. Wildman all the details I know. I can tell him all that I can say.

**Hon. Mr. Peterson:** He is going home tonight; give him something to announce.

**Mr. Wildman:** Oh, I understand; nobody here wants to mess up the negotiations.

**Mr. Tough:** It is the case that there are some pretty intensive discussions going on today, as they have been going on for about the last couple of weeks, between the two levels of government and the Algoma Central Railway with the objective of getting a three-sided agreement just as quickly as we possibly can. Mr. Aiken is involved. He is in and out of the room today because he is involved in those discussions with the federal government. Unless there is something of which I am unaware, the reason for any timing delay or schedule is not that there is some concern on the part of the provincial government that it wants to have the announcement made on any particular day. When we are ready, when it is signed and we have—

**Mr. Wildman:** Just so I can clarify this, I did not want to say anything but I suspected that Mr. Gervais was really announcing that the federal government had agreed to be involved.

**Hon. Mr. Peterson:** That is old news.

**Mr. Wildman:** Yes, but I did not want to question what he was saying. I suspect that is really what he was referring to, that they had agreed to be involved.

**Hon. Mr. Peterson:** Kelleher is right, but the final details have not been tied together. I got this news today; and tomorrow, I gather—my sense is it is 95 per cent of the way there. I am very optimistic about it but it is a question of time to get at the details. It looks good and with any luck it will come sooner rather than later. I hate giving false hopes or expectations on these deals because when you do people are disappointed. It is not impossible that it could be a matter of days. It is not impossible that it could be more than that as well; I do not want to mislead you.

1030

**Mr. Wildman:** Are either or both levels of government seeking job guarantees from the Algoma Central Railway and/or Algoma Ore division as part of the agreement?

**Mr. Tough:** I might make an observation. Our discussions to this date have been with the Algoma Central Railway. Our discussions have been mainly premised on the concern we all have

that we have a railway that is much more than an iron ore delivery vehicle.

**Mr. Wildman:** There is lumber freight and the tourist industry.

**Mr. Tough:** That is right. We are looking at this primarily, recognizing there are some other dimensions, as a way to provide some assistance to the railway to carry on its tourist function. If, in the process, we also make that railway able to provide rates to the Wawa mine that will carry it for some considerable time, that is a very obvious and helpful spinoff.

We have not seen these discussions, nor has anyone else portrayed them—I think you saw Algoma Steel's press release of about two weeks ago—we do not see this, nor do we think anyone else should, as something we are doing to assist Algoma Steel. Its strongly held view would be that there are iron ore sources within North America that would be available more cheaply than it now can get Wawa iron ore. We are interested in keeping that railway going. We want some understanding from Algoma Steel that if the railway is operating and there are competitive rates, the iron ore will be tendered to the railway. In that sense, we expect some undertaking from the company and we are continuing to work on that.

As far as Algoma Central Railway is concerned, we have not taken the view that we have a view on the level of employment on the railway. We recognize that a lot of people would like us to have a view that, for example, job guarantees could be in place. We have not taken that view. We have taken the view that by a combination of provincial and federal government involvement and actions by the railway, the railway really has to maintain its competitive position, not only in terms of the Wawa iron mine but also in terms of some of the traffic that, as you are aware Mr. Wildman, it has lost from some of the other sectors.

Although we continue to be concerned about that and we know you will be concerned about that, we have not explicitly taken the view that either the present job level or any other job level has to be maintained. We have an overriding concern, which is not insensitive to the employment levels, that it is not a viable railway at this time on an unsubsidized basis. What we are trying to do is provide some assistance in a way that gets us the kind of breathing space that I know you want, not only for Wawa but also for the region.

**Mr. Wildman:** I understand that. I realize you said that very carefully and I understand why. If



you are looking at trying to assist the railway so that it can maintain its tourist function, obviously that is of great importance to the whole area, not just to Wawa but also to Sault Ste. Marie.

**Hon. Mr. Peterson:** I gather you can get off the train in Searchmont.

**Mr. Wildman:** Yes, you can.

I want to add, however, that the railway has stated very clearly—I am not saying anything it has not said itself—that without Algoma Ore it is not viable. If the steel company, for whatever reason, were to decide to source its raw product from its Tilden holdings in Michigan or from Labrador and shut down Algoma Ore, which is another thing Mr. Gervais postulated at the meeting, that would not only mean the shutdown of Algoma Ore and the effects on Wawa but would also mean the end of the freight function for the Algoma Central Railway. To state it quite categorically, if the freight function were to end, the railway's tourism operation would not be viable on its own. That has ramifications for all sorts of things related to the lumber shippers shipping by rail and to the accommodation industry, particularly in Sault Ste. Marie.

For clarification, the press is going to ask what is going on and I am going to say I understand from our discussions this morning that negotiations are ongoing and that you are optimistic. I will leave it at that.

**Hon. Mr. Peterson:** On this point, you put your finger on the essential dilemma for the railroad and Algoma, that they are inextricably bound up. It is not that we are not worried about the mine in Wawa, but the ripple effect would be absolutely profound. There is no easy solution to that right now. One of the arguments on the mine is it is a kind of chicken-and-egg thing. You get the transportation through the railroad, which solves that problem. The question is how long that solves the problem.

Am I worried about it? I have to be frank. I am hopeful we can solve this problem. When is it going to pop up again? You and I are going to be here two, three years or five years from now, in some position or other, discussing this again. I think it behooves us to be very clear-minded about this thing and not try to fool anybody about the seriousness of the situation. We are going to have to find some solutions to this. I am getting really worried about this situation.

**Mr. Wildman:** In response to that, I want to make it clear I do not think I could have been described as a Cassandra at the meeting on Tuesday night, although I was very straightforward as to the problems that mine faces. The fact

there were 500 people out of a community of a little less than 5,000 at a meeting is an indication of how concerned the people of Wawa are about the future of their community and of how interested they are in the future of the community. I want to emphasize that while there were some difficult discussions at the meeting, overall it was a positive meeting in that the township council was actively seeking ways to diversify the economy.

**Hon. Mr. Peterson:** We put a lot of money in.

**Mr. Wildman:** I was just about to say it is with the assistance of the Ministry of Northern Development and Mines for a number of studies, whether on the wood products side, the harbour, looking at further tourism developments or gold mining. They are very active and interested. For instance, in the gold mining area there are some good, positive signs that there will be development, perhaps the development of processing and milling in the area and so on.

There is a study now being funded by the Ministry of Northern Development and Mines into the possibility of gold milling in the area. There is general concern and interest and a certain amount of apprehension, but there is also a collective feeling that they have to get together and work together for the future of the community. They appreciate the assistance that has come from this government and the federal government.

I want to make clear that when we are assisting the municipal council, and certainly when we are assisting the private sector to try to tide the community over or to develop a new direction for the future, we have to look at the job side. For instance, what if Algoma Central were to receive assistance and then immediately or a few months afterwards announce layoffs of some 50 workers, which I understand they are considering? The railway would continue to operate but we would have fewer people working. That is something we have to consider. The company has to make a commitment to the future in terms not only of the overall operation of the company, but also of the workers who have worked for them for so many years and have assisted to develop the company.

1040

**Hon. Mr. Peterson:** I appreciate you bringing it up. I do not want to belabour this, but you asked me initially whether I would meet with the council. I will be happy to do so, here or there. If it is more convenient for me to go there, I will try to arrange it as soon as possible. If you are happier doing it here, that is fine with me too. We

will do it at your convenience if we can be in touch to arrange that.

**Mr. Wildman:** My assistant has been in touch with your office.

**Hon. Mr. Peterson:** I will be happy to have that meeting. If we all have to go to Wawa, I will be happy to do it. If I were making a speech in Wawa tonight, I would say, "I am hopeful we can solve this short-term problem but it is only a short-term solution." We have to pull the stops out collectively on every other possibility that exists or else we will be facing this matter another time with another town of 2,000 people three years or five years from now. I do not know when; it is going to happen.

**Mr. Wildman:** I agree.

**Hon. Mr. Peterson:** We all remember Leo's words. Every time we open a mine, we had better start preparing for it to be closed because that is the reality. I mean Leo Gerard, not Leo Bernier. He is right; and we have to start thinking about it.

**Mr. Wildman:** I would like to turn briefly to a couple of other matters. One relates to the highway construction program. I know it has been raised before in these estimates, so I will not go into the question of the funding and so on. A particular matter has been raised. I noticed that in answer to an earlier question, Mr. Aiken said we are reconstructing only three per cent to four per cent a year now, when the government's own figures indicate we should be reconstructing seven per cent of the highway system. If that continues over a long period, we are going to have a real backlog.

We have had statements made by the highway construction contractors, who I realize have a particular interest in this matter, that there has to be a great infusion of funds to bring the roads back up to the standard they were at 10 years ago. I want to make a pitch for trying to get more funds into the highway construction program generally, but I also want to raise one particular matter. A number of small truckers in my area and across northern Ontario have indicated to me that they are facing serious problems because of what they perceive to be fewer contracts being let on which they can subcontract.

Recently a letter was sent to the Premier by a contractor in my area, a trucker named Grant Jones, in which he argued that he used to be able to get a good deal of work from the Ministry of Transportation and Communications on day labour projects. He says, "Unfortunately, in the past few years there have been no projects involving day labour. In effect, this means very

limited work, if any work at all, for small trucking companies in Algoma, especially during the late fall, winter and early spring months. Without this day labour to supplement earnings from other sources, a small trucker cannot earn enough to live on."

He goes on to talk about some other problems. He says: "This leaves a bleak financial picture for small truckers, such as myself, in Algoma district. As you are well aware, Northern Ontario is in an economic crisis. Many small businesses will have to fold unless government support and assistance is forthcoming."

He then describes his precarious position, as he calls it, because of the ongoing costs he has, such as insurance and so on, when he has not been able to get any work. Finally he says:

"If we do not receive some assistance from government in the form of day labour work and other contracts suited to small trucking operations, coupled with a better licensing system, we will have no choice but to fold. I have been all over trying to get a job operating someone else's equipment. Because virtually all the small truckers are suffering from the same difficulties my own business is experiencing, there are no jobs available.

"I will, therefore, be forced on to the welfare roles. And when the Ministry of Transportation does require my services, or the services of my fellow truckers, we will no longer be in operation to do the necessary work. I want to work, as do my fellow truckers. We have earned our livelihood through trucking for many years. We work hard and long when the opportunity is given us. But the opportunities to work are becoming increasingly limited. When and what is your government going to do to ensure the economic recovery of the North? We hear a lot of talk. We do not see much action."

That really expresses his frustration, and his inability to obtain day labour work particularly. I would appreciate it if you could give me some clarification as to what is happening in that regard.

**Mr. Tough:** I will very quickly. The member makes two points. On the question of the northern roads budget, we have not made any secret for a number of years that we believe we could stand to have more money in the northern roads component of our budget. As you may be aware, we increased the northern roads budget by \$3 million, about 4.5 per cent, last year. That was a welcome addition, but we would acknowledge that it is somewhat less than we would have



hoped for, and we welcome the support we are getting in that area.

On the particular question of the letter, I have seen that letter as well. I have spoken this morning to the Deputy Minister of Transportation and Communications to ask him to look into it as quickly as he can to find out whether there has been a change in policy on the part of the Ministry of Transportation and Communications or whether it is the general level of the contracts in that particular area that is causing it. I think that letter mentions that one of the unfortunate facts about this year is that there has not been very much snow either.

**Mr. Wildman:** No, we cannot do anything about that.

**Mr. Tough:** That man's problems are compounded, and we recognize that. As soon as we can find out about that, we can certainly report to you, Mr. Wildman, and I will have Mr. Hobbs speak to you directly.

**Mr. Wildman:** In the past, day labour has been used by MTC to keep small truckers on line so that they would be available when there was the need for snow removal. What they have done is basically supplemented the income of the truckers while at the same time getting necessary work done, small repairs to certain parts of the highway system, as a way of keeping these truckers going so they are available when we have emergencies with regard to very high snowfalls and the need to get a lot of snow removal done.

What he is saying is that the day labour jobs that used to be available have just not been available in the last few years. He thinks it is because the budget of MTC is such that it cannot afford to continue doing it. It is not that there is no need to do these day labour jobs.

**Mr. Tough:** As the member knows, that is our budget that he is talking about.

**Mr. Wildman:** Okay, I will not get into that.

**Mr. Tough:** MTC is the executing agent, and it may well be the case that in that area there is not as much activity as any of us would like.

**Mr. Wildman:** At the risk of being accused of using a low form of humour, Mr. Jones is worried about being executed.

**Mr. Chairman:** He should be worried.  
Mr. Eves.

**Mr. Eves:** Thank you, Chairman.

**Hon. Mr. Peterson:** Nice to see you, Mr. Eves.

1050

**Mr. Eves:** It is nice to be here. I hope our discussion this morning can be somewhat more constructive than our discussion in the House yesterday.

This has been a long-time concern in Parry Sound riding, and one about which the District of Parry Sound Municipal Association, I believe at its April 1986 meeting, decided it would pass the resolution to ask that the district of Parry Sound, which would mean the remainder, or 75 per cent of the riding of Parry Sound, be included in northern Ontario for the purposes of all ministries of the provincial government.

I think you are aware that in 1977 the same municipal association asked the then government that it be included in northern Ontario, and it was for the purposes of the Ministry of Northern Affairs. Over subsequent years, various ministries, one at a time, began to acknowledge the district of Parry Sound as being part of northern Ontario. For example, in the Ministry of Education, out of the nine weighting factors that are given to the other ridings or districts in northern Ontario, six are attributed to the district of Parry Sound. So you have the situation, for example in the Ministry of Education, where Parry Sound is considered to be, I guess, two thirds a northern district but not quite 100 per cent a northern district.

I would say that for the school boards of west and east Parry Sound—especially east Parry Sound, which is probably one of the poorest in Ontario in terms of its tax base, having almost no industrial or commercial tax base at all—rely almost totally on residential and seasonal residents as the tax base for income; the amount of funding that the province and the Ministry of Education has given to them over the years would reflect that. If I am not mistaken, their subsidy rate from the province is in excess of 75 per cent in east Parry Sound and in excess of 50 per cent in west Parry Sound.

Another ministry that has a vital impact on constituents and hospital boards is the Ministry of Health. Unfortunately, the Ministry of Health has not chosen, either over the years or in more recent years, to regard the district of Parry Sound as being part of northern Ontario.

I wrote to your colleague the Minister of Health (Mr. Elston) shortly after he introduced his northern health travel grant program on December 1, 1985, I believe. I wrote to him on December 13, 1985, and asked him if he would consider Parry Sound to be part of northern Ontario for this purpose.



We have the somewhat ridiculous situation where residents, for example of Himsworth North township, Nipissing township and other townships that are very close to the southerly shore of Lake Nipissing, although they are in the district of Parry Sound are actually geographically farther north than some municipalities such as Chisholm, which because they are in the district of Nipissing are regarded as part of northern Ontario; therefore, residents of those municipalities are entitled to northern health travel grants whereas some residents who live in the district of Parry Sound but are actually farther north than those people are not.

It creates great hardship. I have received literally dozens, if not into the hundreds, of phone calls and letters over the last couple of years about northern health travel grants, especially with respect to such things as cancer patients who have to come down to the Princess Margaret Hospital, some on a weekly basis, some on a monthly basis. It creates a great deal of hardship for those people. Some service clubs and some municipalities assist these people, but I really think the ultimate answer would lie in the application of this very important program to the district of Parry Sound.

A Federation of Northern Ontario Municipalities meeting was held in Parry Sound. Since 1977, FONOM has regarded the district of Parry Sound as being part of northern Ontario. I know the town of Parry Sound has certainly participated very actively in FONOM over the years, as have many other municipalities in the district of Parry Sound.

As I said, the annual meeting of about one year ago was held in the town of Parry Sound. Mr. Fontaine was in attendance. He did make a commitment that he would seriously look into the matter of having the district of Parry Sound included in northern Ontario for the purposes of all provincial ministries.

Another ministry that has some impact on local residents, although it may not mean much in dollars and cents to the provincial government, is the Ministry of Natural Resources. I have been a member since 1981 and I have been after various Ministers of Natural Resources over the years to have the district of Parry Sound included in northern Ontario for its purposes as well.

It creates some inequities. I realize a line has to be drawn somewhere, but if we are including the district of Parry Sound, and I hope the entire riding of Parry Sound as part of northern Ontario for the purposes of the Ministry of Northern Development and Mines, for many other minis-

try purposes or for electoral boundaries purposes, I would think it would only make sense to include it as part of northern Ontario for other ministry purposes as well.

As I say, the Ministry of Natural Resources is probably one that could be done without costing the government any dollars and cents at all, but you have such things as hunting and fishing regulations, the ability to hunt on Sundays, and many trappers who are inconvenienced because of the differential in regulations in northern and southern Ontario. I would urge you to discuss that matter with your colleague the Minister of Natural Resources (Mr. Kerrio). I have corresponded with Mr. Kerrio on the matter since 1985. I believe I sent you copies of the correspondence when I wrote to you in October 1986.

As I started to say, FONOM passed that resolution, and it was forwarded to Mr. Fontaine, who was in attendance at the meeting. As a matter of fact, he was a guest speaker on the final evening of its conference and convention. Since then, as I said at the outset, the District of Parry Sound Municipal Association, which has 28 members in the district itself and, oddly enough, six or seven members from the district of Nipissing as well for, I believe, a total membership of 35 organized municipalities, has not only wholeheartedly endorsed the FONOM resolution but has also passed a resolution of its own, which I have forwarded to you and to your colleagues in the provincial government who are most affected.

Perhaps you may want to respond to that particular matter, and then I can go on to something else.

**Hon. Mr. Peterson:** I cannot fight with you about this thing or try to justify what is there. You make a good case. You also know the difficulty in where you draw a line on a problem. It will create certain inequities. This sort of thing has been kind of a political football kicked back and forth, depending on the purposes of it at a particular time. That is history. You know the history and I know the history.

The case you make is a rational one, and I am not going to tell you it is not. It is a question of making some of these judgements that have to be made along the way.

With respect to the northern travel situation, I can see that being a real problem. It would be a real problem wherever it was, as you know. Mr. Bernier brought to our attention some problems in the Kenora area. It is a relatively new program. There are some kinks that probably have to be

worked out in the situation. Nothing is sacrosanct. My view is that if we are wrong let us change it.

If you will allow me, I will go back with renewed vigour to discuss this with my colleagues, particularly the three you bring to my attention. I will try to make sure I fully understand all the cost implications from all points of view. I am mindful that Parry Sound is one of the tougher ones, being sort of mid-zone. It is north and it is middle, but it is in some ways left out.

**Mr. Eves:** You are quite right.

**Hon. Mr. Peterson:** Economically, it is one of the toughest areas in the province. I am very mindful of that. It does not have exactly some of the advantages of the north or some of the advantages of the south. It is kind of like being in that period between age 60 and 65. You do not get all the benefits that society has once you reach that magic age. I understand what you are saying. I am not even going to fight with you or disagree with you, because I cannot.

Let me go back with those three particularly to see if we can come up with some rationale or approach that is sensible to meet the point you make. I hope we can find a resolution. I cannot promise you what that will be, but I will work on it.

1100

**Mr. Eves:** Thank you. You are quite right; over the years, the residents of the Parry Sound district have felt they were in a so-called Never Never Land. It is not quite southern Ontario and not quite northern Ontario. The issue came to the floor in 1977, which was a step by the government of the day. I am not going to pretend that they did not sit down and look at the economic realities of the situation and decide which ministries they could afford to include Parry Sound in at that time. Now that there has been some concerted effort—unprompted by myself, I might say—by the municipalities on their own to have this brought to the floor again, I think perhaps now is the time to decide on the rest of them.

**Hon. Mr. Peterson:** I gather the classic division was the French River.

**Mr. Eves:** That is right.

**Hon. Mr. Peterson:** There are different townships and different electoral boundaries. It is all mixed up somehow or other. I do not know whether we just move the line south and draw a straight line or whether we do it on an electoral boundaries basis or an economic need basis. I do

not know the most rational way. You can make the case from a number of points of view. Frankly, I am not sure in my own mind of the most sensible way to do that, but surely we can think of something.

**Mr. Eves:** There are a couple of other concerns I would like to bring to your attention this morning. One is with respect to the four-laning of Highway 69 and Highway 11 as it affects the riding of Parry Sound. When the member for Muskoka (Mr. F. S. Miller) was Premier, during his brief tenure and the 1985 election campaign, he definitely made a commitment to have the Highway 400 extension, Highway 103 and Highway 69, which really is one continuous highway and part of the Trans-Canada Highway system—

**Hon. Mr. Peterson:** That is the one that zips around through Parry Sound and north along the way to Sudbury?

**Mr. Eves:** That is right, along the shore of Georgian Bay.

**Hon. Mr. Peterson:** What is the number of the one going up to North Bay?

**Mr. Eves:** Highway 11.

**Hon. Mr. Peterson:** Highway 11 goes up to North Bay and Highway 69 goes around it.

**Mr. Eves:** A commitment definitely was made by Mr. Miller to continue with the four-laning of the Highway 400 extension through to and including Highway 69 to Sudbury. Everybody realizes that this cannot be done in a year or even a few years. There are only so many kilometres a year that any government can afford to do. I know my colleague the chairman travels that highway on numerous occasions and has spoken to me about it on numerous occasions.

**Mr. Chairman:** When you were part of government.

**Mr. Eves:** That is right. This is one issue on which I think there is all-party agreement. That stretch of highway is particularly dangerous. There are a great many fatalities on that highway every year, regardless of the season: summer, winter, spring or fall. I am sure Mr. Laughren and some of his other provincial colleagues in Sudbury would attest to that. Also, of course, it is part of the Trans-Canada Highway system. It would be very beneficial to the economic wellbeing and growth of not only the district of Parry Sound but also Sudbury and all communities along that stretch.

I would seriously ask you to consider a renewal of that commitment by your administra-



tion and to make the commitment not only to the people of Parry Sound but also to the people of Sudbury and other ridings as well to have that highway four-laned—at a realistic pace, mind you. It is something that affects not only the long-term economic wellbeing of residents but also their safety.

**Mr. Chairman:** And 100 miles a year would be fine.

**Mr. Eves:** My plans were not quite that ambitious.

**Hon. Mr. Peterson:** How many miles would have to be double-laned?

**Mr. Chairman:** If you were to do it from the end of Highway 400 to Sudbury, it would be about 150 miles.

**Hon. Mr. Peterson:** About a year and a half, you figure.

Interjections.

**Mr. Eves:** I would seriously ask you to take that under consideration.

**Hon. Mr. Peterson:** I cannot disagree with you about the need; you are right. I guess our problem is that when you look at Highway 403 and Highway 115—

You are lucky they have trouble picking me up.

**Mr. Chairman:** It is not the Hansard operator's opinion.

**Hon. Mr. Peterson:** Who wants to read this stuff anyway?

If billions dropped out of the sky tomorrow we could spend it all on roads, particularly in northern Ontario. A perfectly legitimate case can be made for the case you are making for Highway 115 in Peterborough or Highway 403—I am just learning all these highways; I get confused with all these numbers—or double laning from Sault Ste. Marie to Sudbury. There is enormous pressure. The highway people sit down and, admitting the legitimacy of all claims, they have to prioritize them as best they can.

We have the other terrible problem of the deterioration of the existing infrastructure. The problem of the deteriorating infrastructure of roads, sewers and bridges has been brought to the attention of the federal government and the provincial government. We just spent three million bucks to replace the water system in Kirkland Lake, nothing new. They are not getting anything they do not have now and they are not going to have it if we do not do something about it. It is a real problem. We may have to be more creative as a nation in attacking some of the

problems. I am sharing all our problems with you.

I will remind those guys of your view of the priorities, but I am not in a position to give you anything definitive today. I am very sympathetic. It is something I would very much like to see, but I cannot tell you without a very thorough review. I just read in the paper that Stratford wants four lanes into Highway 401. They have a legitimate case because it affects the economic viability of that particular community. They are not wrong. Eddie Sargent wants four lanes up to Owen Sound.

**Mr. Pierce:** But these are Northern Development estimates, not southern Ontario.

**Hon. Mr. Peterson:** We just top up this stuff, as you know, and the basic decision is made—that is one of the problems of this ministry, we are a topper-upper.

**Mr. Pierce:** Let us not clutter up Northern Development estimates with southern Ontario problems.

**Hon. Mr. Peterson:** It is one of my problems, Jack, because I have to think of the whole province. When you are on the government side, you have to relate these things to provincial priorities. I cannot just beat the drum for London, Ontario, any more. When we do something for one place I have to think whether it is fair right across the province. I respect that you are doing what you should be doing in bringing these things to my attention and fighting for them. I appreciate that, but I am trying to explain my problems to you as honestly as I can.

**Mr. Eves:** Obviously, the same concerns I have with respect to Highway 69 apply to Highway 11.

**Hon. Mr. Peterson:** Which do you prefer?

**Mr. Eves:** I prefer that they both be done.

**Hon. Mr. Peterson:** But if you had to make a choice. I need advice.

**Mr. Eves:** Not to be as ambitious as Floyd, if your government were prepared to make a commitment that they would do 50 miles a year, I would prefer that you do 25 on each every year.

**Hon. Mr. Peterson:** You sound like a politician. Which would you prefer, Mr. Harris?

**Mr. Harris:** I have a small supplementary.

**Hon. Mr. Peterson:** I have an idea. We could get Harris to finance us out of Nevada tickets. Would you think about that, Michael?

**Mr. Harris:** Since you brought it up, I think the whole Nevada ticket regulation needs to be looked at. The people of North Bay might be



willing to have a piece go into four-lane highway construction if the other changes are implemented.

I am sorry I missed the start of Mr. Eves on Highway 400, but I think it is fair to point out, and I know Mr. Ramsay would be very supportive, that starting next year or the end of 1987, will be the first time in as long as I can recall that there will be no four-lane activity on Highway 11. As you know, it was moved up through to Huntsville. Then they started from North Bay south of Highway 654, what we call Wasi Road.

**1110**

**Hon. Mr. Peterson:** How many miles of the Highway 11 stretch have to be—

**Mr. Harris:** Probably 65 miles would be left when that section opens. That is my best guess. It is about 80 miles from North Bay to Huntsville and the four-lane is just past Huntsville, I believe. The southerly part goes 10 to 12 miles.

**Hon. Mr. Peterson:** Is it 65 miles on that stretch, and 155 on Highway 69?

**Mr. Chairman:** Compared to 150 for Highway 69.

**Mr. Harris:** Yes. The last section accommodated two things, a little bit of bypass work that was done at North Bay and an extension through to south of Callander. That will all tie in this fall and be open. For the first time there will be no plans and, as you know, there is a fair lead time involved in this.

It would be my guess that if a commitment were made today we would still be looking two or three years down the road before there would be any actual contacts awarded, unless there was a fair acceleration of it. I would make the argument and the justification on economic development. It cannot be done province-wide on traffic count. I think we recognize that if we get into the traffic count game we get into several two-lane highways in southern Ontario that probably have more traffic than Highway 11.

If we get into the economic aspect of it and we look at the difficulties northern Ontario is having, I think you will recognize the difficulty of government involvement in economic activity. One of the moves we have made is relocation of government offices. There is economic benefit from those moves. I think they are positive; they are good moves and they are supportable, particularly at a time when modern communications have pretty well made it feasible to locate ministry offices outside of Toronto.

The economic aspect of it is significant in a number of areas. It is significant to all the trucking that goes on across Canada. While the total traffic count may not be there, there is a considerably higher proportion of logging trucks and east-west movement of goods than over some of the southern Ontario highways, that may have a higher overall vehicle count but I am sure would not have the same vehicle count in the area of the trucking business.

It is significant to send out the signals that are so very difficult to those in the south, companies, government officials and others, who attach an economic stigma to North Bay, for example, 200 miles north of Toronto being out of the mainstream. When you look at the transportation link, the cost of doing business—not to be detrimental to areas like Peterborough, etc.—the truth of the matter is that it is more accessible and more in the mainstream in many respects, and as economic as many areas in southern Ontario, even London. It sends out those kinds of signals that are so critical to northern Ontario in attracting industry and tourists.

It is astounding the number of people who, in years past, felt that tourism ended in the Muskoka area where the four-lane finished. Now it ends in Lake of Bays and Huntsville. It sends out those signals that give government and the northern communities one more edge on trying to attract the economic development, which is so very difficult for us to do. It is a stigma, I submit, that is not felt in Stratford or the Peterborough area or what not, but by virtue of its being northern Ontario it is there.

I really believe there is room for government to look at those tools it has available to it. That is one very strong one. I do not think anyone feels that government can be in a position to go to industry and say, "If you want to do business in Ontario, you have to locate in North Bay or Kirkland Lake or Parry Sound." The truth of the matter is that very rarely works, because they will go somewhere else.

You can provide incentives and some encouragement, and I think we do all those things. But it is one of the very few tools government has left to help northern communities. I would make a very strong plea, as I did with the former government, to continue the planning process on Highway 11. I understand the arguments that would be made by Parry Sound and Sudbury on the 400 and 69 argument and I think it has validity as well. That is all I wanted to say.

**Hon. Mr. Peterson:** Mr. Tough tells me the price of the two of them is about \$450 million, so

we are not talking peanuts. Both of you make the argument very persuasively. I cannot disagree with you. I guess the questions come down to priorities and how they relate to province-wide priorities and all the pressures, all legitimate, that come on the system and how you quantify those.

In the old days, 100 years ago, I gather the only thing anybody ever campaigned on was roads. It was a system of regional development as well. The guy who promised the most roads got elected. Now the cost of these things is pretty expensive but we do know, and you are right, Mr Harris, they do direct development. If you have the road there somebody is going to go there, presumably, if it is the only road there. It is a chicken-and-egg thing. Does it follow the development or lead the development? Both, probably; and it makes it a lot easier for a lot of people.

The other question we have to ask ourselves is: let us assume we have \$450 million sitting there to spend on the north, and I am assuming now that Parry Sound is in the north.

**Mr. Eves.:** Thank you. I presume that—

**Hon. Mr. Peterson:** Would you say that would be the number one priority?

**Mr. Harris:** I do not mind commenting on that. I do not think that is an inappropriate amount of new money to spend on the north, but it does not have to be spent all in one year. Even an announcement of some phased proposal would be very significant in the north. I do not know. What is a mile of four-lane highway now? Mr. Tough would know that figure.

**Hon. Mr. Peterson:** About \$3 million; is that right, Mr. Aiken? They are talking \$150 million on the Highway 11 stretch, so that is—what did you tell me?—60 miles.

**Mr. Harris:** I guess 65.

**Hon. Mr. Peterson:** You are talking around \$3 million.

Interjections.

**Mr. Harris:** It is \$2 million a mile. If it is ten miles a year, you need—

**Hon. Mr. Peterson:** These guys want 50 miles, 100 miles.

**Mr. Chairman:** We can negotiate.

**Mr. Harris:** We recognize there are dollar restrictions, but I would say to you that a 10-year plan to finish that, with actual construction going on, would help to provide those jobs over that period of years. You know construction jobs are important to us too when we are losing some of the—

**Hon. Mr. Peterson:** You are telling me it is an important statement of faith and commitment and, in a sense, an assertion of our confidence in northern Ontario, in the same way that when we say Ministry X is going to move to North Bay that is a statement of our commitment to the long-term viability of that community.

I do not disagree with you. I just ask you to be a little understanding. I do not ask you to be understanding when you are at home, but when you are here, I ask you to be understanding about the enormous pressures. I mean, Highway 407—Lord! If you look at the numbers, it is billions of dollars. I looked at the transportation plan for around Toronto the other day. I had a complete briefing on what Metro Toronto needs as it is growing. I came away depressed. There are so many roads, subways and transit cars needed, it is—

1120

**Mr. Harris:** For the sake of my brother-in-law, let me just get on the record so I can show him I am giving you his suggestion not my suggestion.

**Hon. Mr. Peterson:** Who is your brother-in-law?

**Mr. Harris:** He is a truck driver.

**Mr. Chairman:** Is this a supplementary to Mr. Eves?

**Mr. Harris:** Yes, it is.

**Mr. Chairman:** Is this a conflict of interest?

**Mr. Ramsay:** I can answer you directly about some of the process that is going on.

**Hon. Mr. Peterson:** Mr. Ramsay has a little more information.

**Mr. Harris:** I will finish. It is the same thing, but it is not coming from me. If there is no other way to deal with some of the highway problems we have in Ontario, maybe now is the time government should be looking at toll highways.

**Hon. Mr. Peterson:** Do you remember when we had that great committee on toll roads under Robarts some time ago? They came to the conclusion that it was not in the best interest of the province. What is your brother-in-law's name?

**Mr. Harris:** George Harrison.

**Hon. Mr. Peterson:** I want you to send George a copy of this Hansard. Hello, George. Thank him very much for his very constructive suggestion.

**Mr. Harris:** He lives in Mr. Eves's riding.

**Hon. Mr. Peterson:** Have that Hansard framed, please, and give it to Mr. Harris. Put in a scroll and send it to him.



Mr. Ramsay has been working on this and can give us a little more information.

**Mr. Ramsay:** I agree 100 per cent with all Mr. Harris said on the use of a development tool the government has. Roads are one of the big ones for the north. I had a meeting with Herb Aiken the previous week and on Monday I got all the projections on the planned construction on Highway 69 and Highway 11. Looking at those, I was not too pleased either. I am meeting Ed Fulton on Monday and there is a further set of meetings going on.

A very interesting jurisdictional problem is that I am working within the Ministry of Northern Development and Mines, and we are talking about building roads in southern Ontario. We do not have the jurisdiction to say, "Here is some of our money, Mr. Fulton, build this from Huntsville," like we did on the Powassan stretch. That is why that road is being built first, because it was money from our ministry. We said, "Yes, you can do that," and gave the money.

The money has to come out of the southern pot. I am trying to think of ways we can work with that and get southern Ontario dollars spent in a direction that is going to help the north, where we do not really have the jurisdiction. That is a bit of a problem, but I agree with you that we have to be working at both ends.

Looking at your area, I have a special interest as I go camping with my family north of Parry Sound at Killbear Provincial Park. I think we have to be aware of all the other values in that area too. I know Mr. Laughren wants four-laning up to Sudbury. We obviously have to be improving the area but not destroying the area also. We have to look very carefully at how we go about that.

**Mr. Harris:** You and I would argue, "Let us not spoil the two-lane wilderness there." Just concentrate on 11.

**Mr. Ramsay:** I think you have to look at all the values; but you are right, maybe there are other answers than just always four-laning everything. I think you will also agree that the passing lane program your government had brought in previously has worked very well.

**Mr. Harris:** It is an excellent program.

**Mr. Ramsay:** That is something we are pushing the Ministry of Transportation and Communications to continue. It is an excellent program in northern Ontario also.

**Mr. Chairman:** When the Premier sees members fighting one another he does not have to do anything.

**Mr. Ramsay:** We are not fighting among ourselves.

**Mr. Chairman:** You are debating which road should get it versus the other road.

**Hon. Mr. Peterson:** I do not agree with that at all. I view this as very constructive dialogue.

**Mr. Chairman:** Right.

**Hon. Mr. Peterson:** I am learning a lot in these estimates.

**Mr. Eves:** We can probably allay some of Mr. Ramsay's concerns by bringing the Parry Sound district into northern Ontario again for MTC purposes. Then you would have jurisdiction and you would not have your problem. Also, I would like you to know that an environmental assessment has already been done on the Parry Sound bypass, another commitment I managed to extract from the Honourable James Snow when he was still the minister. So if you can just four-lane that bypass, for sure you will be locked into four-laning it in both directions from then on.

**Mr. Chairman:** Good idea.

**Hon. Mr. Peterson:** All our money went on the James Snow Parkway.

**Mr. Eves:** There are three other issues I would like to bring to your attention. One is with respect to a TVOntario tower, a low-power repeater transmitter for the Parry Sound area. In late 1983 a commitment was made to provide such a transmitter for the immediate Parry Sound area if signals were not strong enough from the towers that were then being built in Huntsville and Powassan.

In early 1984 a commitment was made that some \$330,000, which was actually saved in the Timmins, North Bay and Owen Sound projects, would be reallocated to the Parry Sound project for a repeater transmitter if necessary.

Subsequently, that has proven to be the case. There definitely has been established a need for a repeater transmitter in the Parry Sound area, and I would just urge you to try to see to it that funding is provided. I was at a northeastern TVOntario regional meeting just south of Parry Sound in Foley township about three weeks ago, and I understand that the cost is nowhere near \$330,000. I am told that the real cost is actually—and perhaps I can be corrected—somewhere in the neighbourhood of \$70,000.

**Mr. Tough:** Has anyone heard anything about this particular one?

**Mr. Aiken:** We have to talk to people at TVO and explore it with them.



**Hon. Mr. Peterson:** Would you do me a favour, Mr. Aiken? Would you track that down and see where we are on it, see what our plans are; take Mr. Eves's concerns to them and see if there is anything they can do, and then get back to him.

**Mr. Eves:** If you could contact Suzanne Grew-Ellis at TVOntario, she could provide you with all the necessary information.

Another perhaps somewhat small concern, but certainly not a small concern to the local constituents and residents, is a problem in Calvin township, which is in northern Ontario because it is in the district of Nipissing, just west of Mattawa.

The Algonquin forestry authority has entered into a process of transporting timber out of the north end of Algonquin Park. As a result, there is some serious deterioration of roads in Calvin township. Calvin township seems to be caught between two ministries, so to speak, and is going back and forth between the Ministry of Natural Resources and the Ministry of Transportation and Communications, with neither ministry seeming to want to take the responsibility and instead saying it is the other ministry's problem.

I must say that the Ministry of Northern Development and Mines has been the most co-operative of all the ministries.

**Hon. Mr. Peterson:** As usual.

**Mr. Eves:** The northern Ontario resources transportation committee is prepared to fund 50 per cent of the costs of upgrading the roads. Unfortunately, one of the criteria for that program is that the Algonquin forestry authority, which in this case would be the developer—usually it a private entrepreneur, but in this case it is the Algonquin forestry authority—fund its 50 per cent of the upgrading costs.

We have also had discussions with Mr. MacKinnon, a Ministry of Transportation and Communications official in North Bay, and he is willing to consider the Ministry of Transportation and Communications providing some funding, but we cannot seem to get a commitment out of Mr. Kerrio or the Ministry of Natural Resources to accept responsibility for these costs and to acknowledge that, in this case, the Algonquin forestry authority in fact is doing the work. If you have any influence there I would certainly again ask you to take that under advisement.

**Hon. Mr. Peterson:** I do not purport to have much influence, but Mr. Aiken does. What do we do here? Do you know anything about this?

**Mr. Aiken:** Those are the facts. Discussions have been going on for, I suggest, too long. We feel now that the only approach is perhaps through Mary Mogford's office to have Mr. Kerrio to put forward the money that is involved.

**Hon. Mr. Peterson:** How much money are we talking about?

**Mr. Eves:** I believe we are talking in the neighbourhood of \$100,000.

**Hon. Mr. Peterson:** Beat them up a little bit and see what we can do. I just do not know. Would you go and see what you can do?

**Mr. Aiken:** I think we have exhausted the possibilities of doing anything within the region, and so we will be perhaps pointing in the wrong direction.

**Hon. Mr. Peterson:** Was this a legitimate need?

**Mr. Aiken:** Yes.

**Hon. Mr. Peterson:** Would you please help them out?

**Mr. Aiken:** This is a situation where the township people have contributed to the extent of their ability; they have roads sufficient for their purposes but not for heavy haulage. As those trucks travel over the roads the roads begin to deteriorate. In the view of the township, it ought not to be paying the cost of rehabilitation.

**Hon. Mr. Peterson:** Would you go and beat up Mary Mogford and tell her to help?

**Mr. Aiken:** I will take Hansard with me.

**1130**

**Mr. Eves:** I have one last concern that I would like to bring to the Premier's attention, and that is the development of the Parry Sound waterfront, on which you and I have had some correspondence and I have had correspondence with your predecessor. There was a commitment made on April 15, 1985. I am not trying to be political. We all know that was during the election campaign. The commitment was made by Mr. Miller's government that the province would participate in the redevelopment of the Parry Sound waterfront to the tune of \$1,436,500.

That commitment was contingent upon some federal participation to the tune of \$2,162,000, municipal contributions of around \$900,000 and a private marine contribution of about \$1.4 million.

When your government took office, it decided in its wisdom that because this program was to be funded under the BILD program, which no longer was going to be in existence, the front-line ministry for this program would no longer be the

Ministry of Natural Resources; it would be transferred to the Ministry of Northern Development and Mines.

Some economic impact surveys are being done by the ministry. I understand that these take time, but I really would urge you to get on with the commitment to the redevelopment of the Parry Sound waterfront. It is one that I think will certainly have a dramatic economic impact.

I know that from the economic surveys that were done by a local firm, Ross Raymond and Associates, consultants, on which basis the BILD funding was committed in the first place, the impact on the area is certainly in terms of tens of millions of dollars. I do not have to tell you that this could have a dramatic upward effect on the economy of Parry Sound, Parry Sound Harbour and the Georgian Bay area.

Of course, I suppose I am somewhat prejudiced. I am not entirely objective. I think it is one of the most beautiful areas in the world. There is a great natural attribute there, and such investment can be made without disturbing the environment or the beauty of the area. In this case, residents of Parry Sound, and indeed of Ontario, can have their cake and eat it too. I would urge you to do whatever you can in that regard as well.

**Hon. Mr. Peterson:** I appreciate that. There are studies going on. I am a big fan of waterfront developments. There are a lot of communities doing that kind of thing now; we have been making a number of major commitments in Windsor and other areas.

It is a great tragedy that 100 years ago there was abuse of the environment in a lot of areas and we are now in the process of cleaning up. It is the most fabulous resource that a lot of these communities have, and there is renewed attention to it.

In general terms, we are committed to it; there is no problem about that. The studies are going on, and I can assure you that we will participate in the appropriate way at the appropriate time. A lot of things have to come together, as you know, but it is a real spur to private sector development as well.

Look what has happened in Kenora, for example. I could give you a whole bunch of communities that have really done some exciting things. Hanlan is working on it. Windsor is doing it. London just has a river, and it has miles of parkland along this river. There are wonderful things all over the place. We are there and we will be there.

**Mr. Tough:** We would be very interested to know whether your perception is a little different from ours. We have been in pretty close ongoing contact with Mayor O'Halloran and his staff. We have the impression from what he and others are saying that we are on track in terms of the planning process. He knows there is an ongoing commitment from us. As the Premier indicated, we are quite encouraged to hear some of the reports that there may be some substantial private sector involvement coming along, catalyzed by the fact that the community is coming together with the waterfront development.

As the Premier said, we think we are there. We are moving as fast as we probably can. There are some issues to be sorted out, including the water levels, as you know, but we think that will all get sorted out.

**Mr. Eves:** If I might respond to that, I do not entirely agree with you. From my point of view, I think the thing could have been under construction for the last two years, for that matter—unless you are indicating that the work of Ross Raymond and Associates was not sufficient and did not provide an economic impact analysis. I understand it is the government's prerogative to switch line ministries if that is what it chooses to do. In this case, though, that has had the very real effect of delaying the project for some two years. I premised my remarks, at the outset in my comments to the Premier, by indicating that I would urge you to get on with the job.

**Mr. Chairman:** Since we are on the subject of roads, I have a couple of suggestions for the Premier.

**Hon. Mr. Peterson:** Excuse me, we are not on the subject of roads; we are on the subject of waterfront development.

**Mr. Chairman:** We were on the subject of roads, and I refrained from getting into the debate on that. It seems to me that since the headquarters of the Ministry of Northern Development and Mines is going to move into Sudbury, which would put Mr. Tough in Sudbury, perhaps a very simple rule that he must drive back and forth to meetings in Toronto would expedite the building of extra lanes between here and Sudbury.

**Hon. Mr. Peterson:** Everybody in the government is out of the planes and into the cars today, I will tell you that.

**Mr. Chairman:** The other, more serious point—

**Hon. Mr. Peterson:** That actually happened. Mary Mogford did it when she took the liquor off the planes.



**Mr. Chairman:** Mary Mogford did that?

**Hon. Mr. Peterson:** Nobody is using them any more.

**Mr. Chairman:** She may have had a bad experience on the plane.

**Hon. Mr. Peterson:** We do have internal problems in the government; I just wanted to share those with you.

**Mr. Chairman:** On a serious note, and in terms of the whole principle of economic development and using roads as a tool—I am glad I saw Mr. Fontaine walk in now. Welcome to the committee, Mr. Fontaine. I need your support; that is why I am being so nice to you.

**Hon. Mr. Peterson:** You all need his support.

**Mr. Chairman:** There is a road that runs between Sudbury and Timmins called Highway 144. There is a bush road that runs from 144 out towards Chapleau. If that road was turned into a good provincial road—

**Hon. Mr. Peterson:** Four lanes?

**Mr. Chairman:** No, I am not asking anything extravagant: a two-lane road that would be about 55 miles long and would link up with Highway 129 and then over to Wawa—the Sultan road, it is called. The Ontario Trucking Association is enthusiastic about it. It would relieve some of the problems on Highway 17, especially for the truckers north of Sault Ste. Marie who have to cope with those roads, particularly in the wintertime, and those big hills.

It is important to those of us in that part of the province that it be developed. There is enormous development potential—I think Mr. Fontaine would reinforce that—in that area too, the Biscotasing area. I would urge that the Premier and the deputy at least consider that.

I must give Mr. Fontaine credit. He came with me to that road, we had a drive on it, he took a very real interest in it and he has been very supportive. I know these things do not happen overnight and you cannot just snap your fingers and get your way, but I would like to put my oar in the water on behalf of the people in that part of the province for the building of that new road.

**Hon. Mr. Peterson:** You are not being a tool of the capitalist trucking companies, are you?

**Mr. Chairman:** Not at all.

**Hon. Mr. Peterson:** Just checking.

Interjection.

**Mr. Chairman:** Yes. As a matter of fact, it would reduce the mileage between Chapleau and Sudbury, where many civil servants travel back and forth, by 100 miles.

**Hon. Mr. Peterson:** At 21 cents a kilometre, Mr. Laughren, are you sure you want to lose that?

**Mr. Pierce:** Look at the money we are going to lose in gas taxes if we build shorter roads.

**Mr. Chairman:** Anyway, that is my pitch for what is known as the Sultan road.

**Hon. Mr. Peterson:** Do you agree with him, Mr. Fontaine?

**Mr. Chairman:** Mr. Fontaine, they cannot hear you unless you are at the microphone.

**Mr. Fontaine:** It is a road that, for the truckers who go to the United States, is going to save 100 miles; and then the people of Chapleau will save 100 miles going to Sudbury. It is a viable road. It has the potential of mining and tourism, plus lumber—on one side is E. B. Eddy and all kinds of jobbers. There is also the saving of gas and fuel for the trucker who goes to the US.

**Hon. Mr. Peterson:** How many miles is this, Mr. Laughren?

**Mr. Chairman:** It is about 50 or 55.

**Mr. Fontaine:** Yes. It is not that bad a place to construct a road. The roadside is all sand. There are not too many rock cuts; it is not like building a road in Bending Lake.

**Mr. Chairman:** No, it is not at all like that; that is right, Mr. Fontaine.

Anyway, you have heard the pitch. You can see it is not just a parochial, partisan pitch on my behalf to reinforce the support of my constituency.

1140

**Mr. Fontaine:** Premier, I was told if we come around on this my friend, who has 15 years in politics, can retire with dignity.

**Hon. Mr. Peterson:** Floyd could retire with dignity?

**Mr. Chairman:** I have said it many times.

**Hon. Mr. Peterson:** Just a minute now; it seems we are close to a resolution here. We have to call it the Floyd Laughren rock cut.

**Mr. Chairman:** No, just build it. Build the road and I am gone.

We will take five more minutes and then we will go through the estimates and adjourn, because there is almost certainly going to be a vote in the House.

**Mr. Pierce:** My apologies for being late this morning, but I was tied up doing other things. There were some questions I asked in the previous days' estimates and I was anticipating some answers today. Are they available?



**Hon. Mr. Peterson:** We have them all.

**Mr. Tough:** Mr. Pierce, do you want me to read the answers or make them available to you.

**Mr. Pierce:** If the answers were made available to me that would be sufficient.

**Mr. Tough:** Can we do that, Premier?

**Hon. Mr. Peterson:** Whatever Mr. Pierce wants.

**Mr. Tough:** There are some short questions with long answers and if it is agreeable to you, Premier, we will just make them available.

**Hon. Mr. Peterson:** What about that hole, Herb?

**Mr. Pierce:** The one that required a couple of loads of fill?

**Hon. Mr. Peterson:** What have you found out about that hole in the last 24 hours?

**Mr. Aiken:** We are looking for the people who keep filling it up.

**Mr. Pierce:** That is not the solution; that is the problem. With the chairman's consent—now that he has vacated the chair, does that mean the meeting has been adjourned.

**Hon. Mr. Peterson:** No, I am the chairman now. Go ahead.

**Mr. Pierce:** Is he serious about getting this road between Mattawa and Wawa? Is he going to do it in the backroom or are we going to have his presence at the table?

In estimates on Tuesday, I made some references to rates as high as \$37.80 for worker's compensation and a question was raised whether rates could actually go that high. I just want to clarify in Hansard that the rates that are applicable under WCB for NEER, the new experimental experience rating plan, which is the industry rate on experience, allows 150 per cent plus the base and would in fact reach \$37.80 per 100.

I have identified one company that recently got publicity in the newspaper. Its rate is \$29 plus in the bush and almost \$18 on trucking. I am sure you are aware of this industry because they have written a number of letters to the Premier. They are in a situation where they do not know whether they are going to be able to continue to operate, given those kinds of rates.

One of the problems the small contractor and the industry in itself faces, of course, is that NEER allows an adjustment rate and you can go on paying your base rate plus whatever is your new rate. Then all of a sudden you get a bill from the Workers' Compensation Board for the adjustment rate. In the case of one particular

company, the adjustment rate was something like \$710,000. As you can see, WCB is a serious problem. The contractor I am talking with is telling me it is a very serious problem. I can only emphasize that you should look very seriously at what is happening. Also, as you are aware, WCB has established a minimum increase of 15 per cent over the next three years on the base. That does not reflect on the individual industry alone. That is an adjusted rate of increase over the next three years.

**Hon. Mr. Peterson:** You are right. That is the catchup that was agreed upon. It has gone through committees of this House. It is a problem, but like a lot of other problems it is a problem of the past, not a problem today. I do not blame anyone per se, but that is it. You cannot run away from problems for ever, particularly financial problems. It was agreed after very wide discussion with everyone. Nobody likes it, but you tell me how to deal with a \$6-billion accumulated deficiency. If you have a better way to do it—

**Mr. Pierce:** You have to look at it from the other side as well. If we regulate these people out of business, what do we do with the revenue we are presently getting because they are in business. It is lost revenue on the other side as well? If we put all these people out on the streets on unemployment insurance or welfare, if we put these businesses out of business because they cannot afford to pay the rates that are required for the WCB, for example, what do we do with all the people?

You have said in many cases and in many statements that the strength of northwestern Ontario and northern Ontario is dependent on the woods industry and the resource industry. There is no question that it is something that has to be dealt with very soon.

**Hon. Mr. Peterson:** Sometimes we get into situations where there is no easy way out. That is the resolution to which the government has come. It is not isolated. I do not like it but I have to solve the problems, and every solution we have brings problems.

**Mr. Pierce:** Let me ask a couple of other brief questions that I did not get an opportunity to ask the other day. I understand there are some invitations for proposals on the purchase or sale of norOntair as an airline.

**Hon. Mr. Peterson:** No, it is the use of the Dash-8s.

**Mr. Pierce:** I understand an invitation is out for a private airline to pick up the whole system.

**Hon. Mr. Peterson:** If there is any interest in the system; there has been casual interest expressed by some, as you know.

**Mr. Pierce:** If that is in process, are there some guarantees along with that process to assure the people of northern Ontario that the system that is in place at present will remain and be guaranteed in a sale to any company?

**Hon. Mr. Peterson:** Absolutely; there will be guarantees with respect to the level of service we decide is necessary.

**Mr. Pierce:** Because we recognize that norOntair passenger service is subsidized by the Ontario government.

**Hon. Mr. Peterson:** Five and a half million bucks.

**Mr. Pierce:** I think you are up to about \$58 per passenger. The other day I asked a question about a cross-strip at Atikokan airport. On Friday morning I was on a plane that overflowed Atikokan and it cost norOntair \$165 to drive me back from Fort Frances to Atikokan. There is no money in that kind of service. They cannot make it on a \$45 plane ticket when it costs them more to get me to Atikokan than it actually cost me to get on the plane. There are reasons for those things happening.

If a sale is actually finalized, some guarantee has to be built in that the level of service will remain what it is today. That service is part of the reason for the development of northwestern Ontario as we have it today. We would like to have some guarantee of that nature.

**Hon. Mr. Peterson:** You have it. I assure you that anything we do in this regard will be subject to wide public discussion. I know how sensitive air transportation is.

**Mr. Pierce:** I appreciate your commitment to the service, but some studies were done early in your tenure of office, one of which received a lot of fanfare. It was a study done by Jack Stokes with respect to the use of the Dash-8s. No comments have been made since that study was released. The Dash-8 is grounded and has gone for repairs. We recognize that there would probably be greater passenger services available and more usage made of the existing networks if the Dash-8 were servicing those lines. There are a lot of people who will not get on a Twin Otter. I have no problem.

**Hon. Mr. Peterson:** Really? Why? Because you have your knees in your face?

**Mr. Pierce:** There are a lot of senior citizens who do a lot of travelling who are afraid of a Twin Otter. They do not like the aircraft.

**Mr. Chairman:** I think they are just the right size. We must bring these estimates to a halt, Mr. Pierce. Are you about finished?

**Mr. Pierce:** It would also increase the traffic area with respect to the airline and the routes that are available.

**Hon. Mr. Peterson:** Twin Otters are safe.

**Mr. Tough:** Mr. Pierce is not saying they are not safe. We fly around in them too.

**Mr. Pierce:** No, I fly in them all the time.

**Hon. Mr. Peterson:** They are too small.

**Mr. Pierce:** They are just too small. A lot of people feel too confined in the back seats. I am taller than Floyd Laughren and I still get on the Otters.

**Mr. Tough:** One of the problems with the Twin Otter is that in some cases it is too small and in some cases it is too big. What we are talking about is getting a fleet that reflects the needs in the various communities better than the fleet does now. I think Mr. Pierce would agree.

**Hon. Mr. Peterson:** We need some Canadair Challengers.

**Mr. Pierce:** Perhaps I can make one more comment with respect to highway construction in northern Ontario. Of course, everybody talks about highway construction, but I think we are doing half the job in highway construction because highway construction is only half the development tool required to develop industry and resources. We still have many areas along Highway 11 that are not serviced by Hydro. It creates some real problems in developing industry.

Votes 2401 to 2404, inclusive, agreed to.

Supplementary estimates agreed to.

**Hon. Mr. Peterson:** You did not take my salary out of there, did you?

**Mr. Chairman:** No, we did not, although we knew you would not notice if we did.

**Hon. Mr. Peterson:** I have learned a lot and I have enjoyed this.

**Mr. Chairman:** I am sure I speak on behalf of the committee in expressing our appreciation to your staff who made it easier to get through the estimates and who provided us with some answers.

**Hon. Mr. Peterson:** If there is anything outstanding, we will try to get it to everybody, and if there are any mistakes we are making, get to me or whomever and we will get the information.

ment and Mines are services that are vitally needed in northern Ontario. They see it as their only link to Queen's Park. I think anybody in this room can attest to the fact that the offices available in the smaller communities are used to the fullest and that the people manning those offices are doing an expert job.

**Hon. Mr. Peterson:** On behalf of all those people, I will take the credit.

**Mr. Chairman:** This completes consideration of the estimates and supplementary estimates of the Ministry of Northern Development and Mines.

The committee adjourned at 11:51 a.m.

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Thursday, February 12, 1987

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### Witnesses:

#### From the Ministry of Northern Development and Mines:

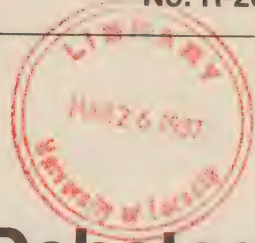
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# Hansard

# Official Report of Debates

## Legislative Assembly of Ontario

**Standing Committee on Resources Development**  
Annual Report, Workers' Compensation Board, 1985

**Second Session, 33rd Parliament**  
Monday, March 9, 1987

Speaker: Honourable H. A. Edighoffer  
Clerk of the House: C. L. DesRosiers



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### STANDING COMMITTEE ON RESOURCES DEVELOPMENT

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Smith, E. J. (London South L)

Stevenson, K. R. (Durham-York PC)

Wildman, B. (Algoma NDP)

Substitutions:

Gillies, P. A. (Brantford PC) for Mr. Stevenson

Haggerty, R. (Erie L) for Ms. E. J. Smith

Hennessy, M. (Fort William PC) for Mr. Bernier

McClellan, R. A. (Bellwoods NDP) for Mr. Wildman

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# LEGISLATIVE ASSEMBLY OF ONTARIO

## STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Monday, March 9, 1987

The committee met at 2:06 p.m. in room 151.

### ANNUAL REPORT, WORKERS' COMPENSATION BOARD, 1985

**Mr. Chairman:** The standing committee on resources development will come to order.

Despite competing demands on our time and despite all sorts of frustrations, this committee, quite rightly so, hung tough and insisted that we deal with the Workers' Compensation Board annual report this year. There were all sorts of competing demands for more time for things like lottery business and plant closures, but this committee agreed that the WCB problems were so serious that we should take another look at them yet again this year.

**Mr. Hennessy:** Notwithstanding the Rosehart report.

**Mr. Chairman:** Notwithstanding the Rosehart report.

As members know, in the fall of 1985, the standing committee on resources development prepared a report, which was a report of the 1984 annual report but it was done in 1985. We laid out a number of recommendations, and today, before we get into discussion with the Minister of Labour (Mr. Wrye), the various officials of the board and the representative groups from labour and management, I thought it would be appropriate if we were brought up to date on what had happened since we made recommendations in this report.

Merike Madisso, who is second to my right and whom I think most of you know by now, has gone through our recommendations and has put down underneath each recommendation what the response has been to it from either the Ministry of Labour or from the WCB. That will bring us up to date, so when we do meet with the various people tomorrow onward, we will know what progress, if any, has been made on our various recommendations. There is a strong feeling, I think, by members of a lot of committees that they make recommendations and then the follow-up just does not occur.

Ms. Madisso, thank you very much for this summary of our recommendations and what has been done since then. I think it would be appropriate if you took us through them. Please

do not hesitate, on each one, to ask for clarification or to make a point. Go ahead.

Interjection.

**Mr. Chairman:** Is there someone here from the Workers' Compensation Board? I thought I saw a gentleman. Oh, good.

**Interjection:** He has been here since 10 o'clock this morning.

**Mr. Chairman:** Why do you gentlemen not take a seat at the table, in case there are some questions from members of the committee?

**Mr. Haggerty:** Where is the chairman?

**Mr. Chairman:** I think the chairman is going to be here tomorrow morning.

It would be helpful if you two gentlemen would identify yourselves and tell us what you do at the board.

**Mr. Glasberg:** My name is Irwin Glasberg. I am the acting executive director of the strategic planning and analysis department of the WCB. This department was recently established, and we are essentially responsible for long-term policy and planning and for the board's general counsel's office.

**Mr. Emmink:** I am Andy Emmink. I am the acting secretary of the board. I look after the secretarial functions, as the title suggests.

**Mr. Chairman:** All right. Let us proceed then. Ms Madisso will start us off on the summary of the report and what has been done on our recommendations.

**Ms. Madisso:** Perhaps I will begin by pointing out to you that there are a number of other items in that package that might be of interest to you later when, for instance, the appeals tribunal people appear, when Mr. Ellis appears. I have included some newspaper clippings updating the issues since the fall of 1985; in particular, some on the Workers' Compensation Appeals Tribunal and Downsview.

I think you got a copy of the appeals tribunal's first report. I have directed you in the memo to two pages: page 7, which responds specifically to the committee's recommendations and page 23, which lists some of the issues the tribunal thinks are important that you might want to look at before the tribunal appears. That is in the

tribunal's first report. It is that white one with the line around it.

You should also have a copy of our report and then of the board's response to it, which is this one. I will be working from our report and from the board's response. The order in which the board addresses issues is not exactly the same as ours. I will be going through the recommendations as we set them out. Sometimes the page references to the board's report will appear to jump around a bit, but that is because it organizes the issues somewhat differently from ours in a couple of areas. It is not extensive, but the page references are there if you want to go back and review the entire board response on that issue.

I will be going through the first paper that is attached to my memorandum to you, beginning with claims adjudication on page 1. That was the committee's first issue and then first recommendation. It is page 3 in the committee's report and pages 5 to 9 of the board's response.

**Mr. Chairman:** You may not wish to try to do all three at once.

**Ms. Madisso:** The first committee recommendation was: "The committee recommends the constituting of a functional assessment team that will consist of professionals who are not employed by the WCB. The team would consist of such professionals as physicians, physiotherapists, occupational therapists, kinesiologists, etc., who would make a functional assessment incorporating medical considerations."

The second recommendation was: "Where there is a conflict of medical opinion between the claimant's doctor and the board's doctor, the claim is denied, and the claimant objects to the denial, the matter should go to the functional assessment team for a decision. Similarly, if there is a conflict, benefits are terminated, and the complainant objects, the matter should go to the team for a decision."

Now the board response, pages 5 to 9: The first point the board makes is that the current act requires that the board make decisions regarding conflicting medical opinion and the duration of benefits. The act does not allow for a functional assessment team consisting of professionals not employed by the WCB. The act would have to be amended to incorporate the committee's concept of a functional assessment team not employed by the WCB.

Second, the board has some concerns about the practicality of the recommendation: "A functional assessment team would add another layer to the appeal system; it would cause more delay; there is no guarantee that the use of such

teams would reduce conflict within the system." That is the board's second objection to the recommendation.

Third, however, the board points out that it is "fostering the development of multidisciplinary teams in some Ontario communities to provide progress reports on claimants to the board, which reports will be taken into consideration when a board physician prepares a medical opinion." I guess it will be the committee's task to decide whether the recommendations have been implemented by the board, given this response.

The third recommendation was: "When benefits are already being paid, they should continue to be paid pending a decision by the functional assessment team regarding termination."

**Mr. Chairman:** I think we should stop and deal with the first one and perhaps the second one before we move on. Otherwise, we will end up going back anyway.

**Ms. Madisso:** Yes.

**Mr. Chairman:** Are there any comments on the first recommendation of the committee and the board's response?

**Mr. McClellan:** I am curious about the legal argument that the act precludes the use of a functional assessment team. By extension then, I assume that the act precludes the use of surgical consultants, since surgical consultants are routinely given cases and asked for an opinion, and the opinion is the de facto decision. Can I assume that practice of farming out cases to surgical consultants for an adjudicated opinion has also been scrapped by the WCB?

**Mr. Glasberg:** It is the board's position that the claims adjudicator is the individual within the organization responsible for making decisions, and that the advice tendered by physicians employed by the WCB itself or by physicians from the outside community is merely advisory to that function.

**Mr. McClellan:** Is that a yes or a no?

**Mr. Glasberg:** To rephrase the response, I am saying that board physicians under the act are not the individuals who are charged with making decisions. These decisions are made by claims adjudicators so—

**Mr. McClellan:** You are denying that surgical consultants—I chose my words fairly carefully. I am not trying to make things difficult for you; that more properly will be done with the minister and with the chairman.

I do not understand how, on the one hand, you can argue legally that the act precludes you from relying on a functional assessment team for the



operative decisions—and I stress the operative or the de facto decision—and, on the other hand, you say that the routine practice of referring cases to surgical consultants who are not employees of the WCB for de facto decisions based on their opinion is legal, whereas the use of a functional assessment team for precisely the same purpose is illegal. I am sure you understand that.

**Mr. Glasberg:** I do, and I will not deny that claims adjudicators often place very great weight on the opinions rendered by surgical consultants in the community at large. The fact is that it is the responsibility of the claims adjudicator to make that decision.

**Mr. McClellan:** I will not belabour this, but surely you would agree that, if it is possible to use an independent surgical consultant to make an operative decision, or at least to render an opinion that, all things being equal, will be very important in forming the ultimate decision, it would be equally possible under the act to use a functional assessment team in precisely the same way.

**Mr. Glasberg:** I do not believe the act allows us to delegate to individuals other than claims adjudicators the right to make the decisions under the act.

The board is sympathetic to the notion that the idea of a functional assessment team has considerable merit and, as the response indicates and as Dr. Kaegi will be pleased to elaborate tomorrow, the board is moving in the direction of functional assessment teams to provide advice and information on claims and related matters. The fact is that, under our statute, it is the claims adjudicator who has the legal right and obligation to make these sorts of decisions.

**Mr. Gillies:** Along similar lines, I have been very frustrated over the years, and I wonder if you could tell me your impression of this. My impression is that the opinions brought forward by a claimant's doctor are given very short shrift by the board.

I have had hundreds of cases I can think of in the last six years and it seems to me that the opinions, written or otherwise, expressed by a claimant's doctor are not given the kind of attention or weight I would have expected them to have. Is that impression correct? Do we have any statistical records within the board of decisions being turned around because of medical opinions expressed on behalf of the patient?

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**Mr. Glasberg:** I am not aware of any statistics at this time. We will undertake to endeavour to

determine whether they are available and, if they are, to provide them to you later this week.

My own view, in responding to this question, is that it would be best for you to pose the question to Dr. Elizabeth Kaegi, who is our new vice-president of policy and specialized services at the board. She is also the chief medical officer, and I know she has been giving a lot of attention to this important issue you have raised.

As I have said, she will be here tomorrow and she would probably be in a position to give you a more comprehensive answer than I would.

**Mr. Gillies:** Thank you.

**Mr. Haggerty:** Just one point: You talk about this doctor. What is her experience in the area of making the assessments? What is her background besides a medical degree?

**Mr. Glasberg:** She is the chief medical officer of the WCB. Prior to joining the organization in 1986, she was chief medical officer at C-I-L. She is a medical doctor and, in addition, has a very extensive background in the field of occupational medicine. She comes to the board with, I believe, some exceptional qualifications.

**Mr. Chairman:** For members of the committee and for myself, you will note that the first paragraph of our recommendation talks about a functional assessment team that would make a functional assessment. The second paragraph which the board challenges in the third sentence states that where there is a conflict, "the matter should go to the functional assessment team for a decision."

Since an assessment and an opinion cannot be considered decision-making, if those words were changed in the second paragraph to, "the matter should go to the functional assessment team for an opinion," then they would not be in conflict with the statute as the board has decided to interpret it.

**Mr. Glasberg:** I think that is a correct interpretation. We indicate later in this report though, that there would be severe practical problems in terms of identifying sufficient professionals in the province to serve on functional assessment teams.

**Mr. Chairman:** That is not challenging the statute. That is an entirely different problem you are addressing, right?

**Mr. Glasberg:** That is right. As I have said, and as Dr. Kaegi will elaborate on, the idea of functional assessment teams performing appropriate work for the board is something that our agency is seriously considering.

**Mr. Gillies:** With regard to the second response from the board, I wonder if the functional assessment team, by making recommendations and offering advice to the board, of necessity has to add another level to the appeal procedure. I am not convinced that it does. It could be part of the body of information that goes to the claims adjudicator on which the decision is based.

**Mr. Glasberg:** What I think would happen is that after a claims adjudicator has made a decision, that decision would, in turn, move to the functional assessment team if there was some dispute. Let us suppose, for example, that the team confirmed the original decision of the claims adjudicator. Presumably then the internal objection procedures of the board would be available for the claimant, culminating in an appeal to the Workers' Compensation Appeals Tribunal. So there would be another step in the process, and a practical concern that the board has, particularly with the scarcity of trained professionals in many areas of the province, is that you are adding a considerable time to this process.

**Mr. Pierce:** I have a comment, Mr. Chairman, in respect to the issue you raised, and that is the wording in the second paragraph of the committee recommendation, "assessment team for a decision." If you change that to be nothing more than "an opinion," then that is exactly what it is, one opinion against another opinion and it does not bring any validity to the decision-making process. I think there was reason for that strong wording, that it would be the third and final voice of the decision-making process.

**Mr. Chairman:** I agree with your interpretation. The only reason I raised it was that the gentleman from the board, Mr. Glasberg, indicated that is all that surgical consultants do—give an opinion. I thought that if the opinion of the functional assessment team carried the same weight to the board as the did that of the surgical consultants, you would have de facto a decision. Is there anything else on number one?

How about the second one? Ms. Madisso, you had started the second recommendation. Is there anything further on that? "When benefits are already being paid, they should continue to be paid pending a decision by the functional assessment team regarding termination." The board would be opposed to that for the same reason; you state that. Anything else?

**Ms. Madisso:** Now we are on page 2 at the top. The next committee recommendation, still on the area of claims adjudication, reads: "To

ensure that the work load at the claims adjudication level is properly handled, the case load of individual adjudicators should not be affected by factors such as inadequate staffing, vacation periods, illness, etc. In addition, the board should endeavour to organize matters in such a way that files do not move from adjudicator to adjudicator."

The board response: "In March 1986, the WCB announced the opening of three regional offices (in Hamilton, Ottawa and Thunder Bay), with each office providing workers with full client services, including adjudication of claims.

"At the same time, the WCB announced that steps would be taken to reduce adjudicator case load throughout the board.

"In June 1986, the board announced a major structural reorganization so that the line functions of claims, vocational rehabilitation and medical services will be co-ordinated under a client services division."

**Mr. McClellan:** Rather than ask questions, what would be helpful for the committee to have for tomorrow and the rest of the week would be, first, some statistics, some numbers about the adjudicator case loads as of March 9, 1987, compared with March 1986, March 1985 and March 1984, so that we would have a comparison over the past three years.

**Mr. Chairman:** Will you allow an amendment to that suggestion, Mr. McClellan?

**Mr. McClellan:** Yes.

**Mr. Chairman:** That it be done by regional office as well.

**Mr. McClellan:** All right; that fits into my next point. The second is that we have a report tomorrow from somebody about the board's regionalization program, and in particular, what plans are afoot to extend the process of regional offices and regional decision-making in 1987 and 1988. I am sure everybody is pleased with the beginnings of the development of regional decision-making and regional offices, but there is certainly a long way to go. We would like to hear what the detailed plans are for the future. I do not want to hear about the major structural reorganization, but I will listen if I am forced to.

**Mr. Chairman:** We are going to have the chairman here tomorrow. We will have the Minister of Labour here at the beginning of the day at nine o'clock and then the chairman of the Workers' Compensation Board after that. I think it is appropriate to ask these gentlemen for statistics, etc. and then put the more broadside questions, if I can put it that way, to the minister



and the chairman. Is there anything else on this recommendation?

**Ms. Madisso:** The next one is, "The board should reiterate that the principle of benefit of doubt applies at the adjudication level." The board response is, "The board will give additional emphasis to the principle when training its claims adjudicators."

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**Mr. Chairman:** Do we just assume that has been done? Is that safe to say?

**Mr. Glasberg:** The benefit-of-doubt principle has been enshrined in the statute and it is applied.

**Mr. McClellan:** Are there any numbers? Has the board categorized decisions on the basis of whether benefit of doubt has been a factor in the decisions, and are there numbers available, decisions that can be broken out, based on consideration of benefit of doubt in relation to the total number of decisions?

**Mr. Glasberg:** I am not entirely certain, but if that information is available, we will have it for you later this week.

**Mr. Pierce:** Can I have some clarification with respect to benefit of doubt at the adjudication level? If an employee claims to have been injured on the job and the employer has no record of the injury, is there a fund within the WCB that pays benefits to the claimant, but at the same time, does not charge the accident back to the employer because there is no proof of claim that the accident actually happened on that particular job?

**Mr. Emmink:** Not for precisely that kind of circumstance, Mr. Pierce. In cases where there might be an underlying condition that contributes in a substantial way to the length of disability or severity of the injury, we could remove a substantial part of the cost of that accident from the employer's cost record, and transfer it to the second injury and enhancement fund which is distributed over all of industry in schedule I. For the circumstances you have described, there is not. It is a question of whether somebody is entitled to benefits under the act.

**Mr. Pierce:** I am still a little confused with respect to an employee leaving a job without reporting an accident and the employer has no record of that accident happening on the job. The employee goes to the hospital six hours later and claims he was hurt today or yesterday on the job, but nobody witnessed it. The employer denies there was ever an accident on the job and there is no knowledge of it. When it comes time to reassess his rate and his responsibility for

recognizing that accident, where does he go to have adjudication made that the accident did not happen on the job?

**Mr. Glasberg:** Perhaps I can follow up on Mr. Emmink's response with respect to a situation where an injured worker and an employer disagree with respect to where an accident occurred. Let us say the employer takes the position the accident did not occur at work and the injured worker says it did. In that situation, the board would carefully investigate the accident, take into account the worker's position and the employer's position, and render a decision. If the evidence for and against the fact that the accident occurred at work were evenly balanced, it would be at this stage that the benefit-of-doubt provision would apply and the worker would obtain appropriate benefits for the accident.

As Mr. Emmink has indicated, the second injury and enhancement fund would not apply to a situation such as this. The fund basically applies where you have an injured worker who has some pre-existing injury or condition that might predispose him to a certain kind of injury. In that case, the board will charge a certain percentage of the accident cost to this second injury and enhancement fund, which is contributed to by all employers within a particular class.

**Mr. Pierce:** I hear what you are saying and I will note it, but I still think there is an area there that has a void, and that is in being able to prove the accident happened on a particular job and that the employer was responsible for it in some way.

**Mr. Chairman:** Would it be helpful to point out that we do not have a pure experience-rating system and that the cost of that accident, where the benefit of the doubt was given to the worker, is not assessed 100 per cent against that individual employer anyway? It is the class to which the employer belongs. Am I correct, Mr. Glasberg?

**Mr. Glasberg:** That is correct. In fairness, though, there might exist situations where an employer is in a penalty position because of a poor accident experience, in which case the individual accident would appear on the employer's assessment form.

**Mr. Pierce:** In the woods industry where they are on experience ratings, would that accident be spread out among all the employers or only charged to the employer whom the claimant has a charge against? That is part of their experience rating.

**Mr. Glasberg:** I cannot answer precisely. It would depend on the nature of the experience rating formula that is used.



**Mr. Pierce:** I know what the chairman is saying. If you are in the mechanical trades industry where the mechanical trades are paying a set fee based on the rating throughout the whole industry, that rate goes up, but in the woods industry where the base is 15 plus change and then the remainder is on your experience rating of the individual company, that rate can change dramatically, depending on your accident rate.

**Mr. Glasberg:** I do not think I personally can be any more helpful to you. We will have our board actuary here tomorrow. Perhaps you would care to ask him a question and he will respond.

**Mr. Chairman:** Now the members have something to look forward to, having an actuary appear before us. There will be no snide comments about the definition of an actuary this year, please. We all know what that is.

**Ms. Madisso:** The second chapter is entitled "Permanent Pensions." There is a bit of background to the recommendation, which I extracted from that background. I will just read it to you briefly so that you understand the context in which the recommendation arose.

"Committee members heard evidence of...the problems that arise when board doctors make determinations about the extent of physical disability of an injured worker.

"The committee therefore recommends"—this is the recommendation—"the referral of cases to the functional assessment team, as described above, for the assessment. The committee also recommends that clear criteria for applying the disability rating schedule in individual cases should be enunciated."

In the report, the committee also discussed briefly the disability rating schedule itself and said the following about it: "As far as the rating schedule itself is concerned...the committee took note of the many individuals and groups who objected to its lack of fairness. However, because changes to the schedule are anticipated as a result of a review by Professor Paul Weiler and Professor John Burton, the committee refrains at this time from making recommendations regarding specific percentage ratings."

The Weiler report is out. I am not sure whether the Burton report is an appendix to the Weiler report; it is, so they are both out now.

The board's response to that is: "There are legal and practical problems, described above, with the use of the functional assessment teams. Given that the board's physicians carried out approximately 17,000 permanent disability ratings last year, an estimated 50 to 75 functional

assessment teams would be required to meet the present work load. Devising a rating schedule which contains clear criteria for evaluations may be an alternative approach; the board is currently reviewing a report by Professor John Burton on this subject."

**Mr. Gillies:** I wonder whether in 50 words or less we could get an idea of what Dr. Burton is suggesting?

**Mr. Glasberg:** I can try but I believe there are more competent people in the organization to give a full analysis.

**Mr. Gillies:** I am just looking for a general thrust or philosophy, if there is such in his report.

**Mr. Glasberg:** I prefer to leave that to someone else.

**Mr. Gillies:** Okay.

**Mr. Chairman:** We can pursue that when the board gets before us.

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**Ms. Madisso:** The second recommendation under "Permanent Pensions" reads, "The committee recommends an immediate increase in the pensions of existing survivors so that these pensions become the equivalent of what would have been received had existing widows and widowers been eligible under the new survivors' pension scheme."

The board responded, "On January 1, 1986, when Bill 81 increased pre-April 1, 1985, survivors' pensions, the gap between the old and the new pensions was eliminated."

**Mr. McClellan:** My understanding is that there still is a gap. At least one of the delegations that is appearing before this committee on Thursday, I guess, wants to speak to that issue. Is there a widows' group or a delegate representing the interests of survivors scheduled to appear?

**Mr. Chairman:** No, but I think we are talking two different issues here.

**Mr. McClellan:** Okay.

**Mr. Chairman:** I think what you are referring to are survivors' pensions going way back and this reference is only to the change in 1986 versus 1985. Am I right on that, Ms. Madisso? Can you follow me?

**Mr. McClellan:** So there is still a relatively large group of people who have not had the kind of legislated adjustment that the 1985 and 1986 legislation benefited.

**Mr. Chairman:** I think so. Check that out. It is my sense that—perhaps you can help us out on this.

**Mr. Glasberg:** I was not aware that a gap still existed but we will check that out for you and have that information available tomorrow.

**Mr. McClellan:** It is my understanding that some people are coming forward to make a submission to the committee later in the week, so we will have an opportunity to judge that issue.

**Mr. Haggerty:** Can we have the numbers of the recipients in this particular category and the cost? Do you mean to provide an example of your increase in this area?

**Mr. Glasberg:** We will do our best to get that information for you.

**Mr. Pierce:** Just for clarification, is there a mechanism in place now that allows for inflationary adjustments to pensions ongoing?

**Mr. Glasberg:** Yes.

**Mr. Chairman:** That was passed in the last year. Anything else? We will come back to that, by the way.

**Ms. Madisso:** The next recommendation under "Permanent Pensions" is, "When the average earnings of a worker are being determined, they should be determined during either the 12-month period preceding the date of the accident or the 12-month period preceding the date of the permanent disability rating so as to provide the injured worker with a pension that is fair under all the circumstances."

The board's response is at the top of page 4. "Section 43 of the act stipulates the method by which average earnings are to be calculated; use of the date of disability rating is not contemplated. To ensure that a worker is not penalized by the time which elapses between the date of accident and the date of rating, the act provides for inflation escalation of pre-accident earnings in accordance with the CPI. This provision became effective January 1, 1986, under Bill 81, and meets the committee's criterion of fairness."

**Mr. Chairman:** If I might be so bold, I think the board missed the point on this one. Correct me if I am wrong, but I think what the committee was talking about was that when you have a situation of an accident, too often the injured worker ends up with the lower rating, as interpreted by the board. What the committee was wanting here was an assessment that reflected a fairer interpretation of what the worker's earnings really were.

**Mr. Hennessy:** can you help me out here?

**Mr. Hennessy:** Yes, I was interested in the last statement. If a person got hurt and had been injured for quite awhile, when they evaluate his or her salary—and they may be on light duties and

getting a little less money than when he or she was doing something else in the plant—he or she would be evaluated on the second phase and get less money. Do you not think he or she should have been evaluated when hurt in the beginning and while he or she was doing the job rather than six months down the road after being given a lesser job and less money? If he or she is evaluated at the time he or she is doing the lesser job, he or she will wind up getting less money instead of getting the amount of money he or she should have received when making a higher wage.

I think that is where the differential comes in. I do not know why there are two sides to it where you can take number one or number two. I always thought that if a person got hurt today, if an adjustment had to be made it would be made on what he is getting today and not what he is getting six months down the road. He is not going to get a raise if he is injured. He is going to get a decrease in salary. Therefore, you are looking at a lesser amount of money. I would say he should be getting the amount of money he received when he was injured. At least he knows what he was making at that time.

**Mr. Chairman:** Except that there is a danger there, too. If someone goes from being a full-time employee to being a part-time employee and gets hurt when doing part-time work, that is not going to be the long-run future of that person. That is where they get nailed.

**Mr. Gillies:** It is a two-edged sword.

**Mr. Hennessy:** They will not give him an option.

**Mr. Chairman:** Mr. Glasberg, is the concern of the committee valid in your view, or has the board resolved that problem?

**Mr. Glasberg:** I would prefer to leave that question to one of our claims people, who will be here tomorrow, for fear of misleading the committee. I frankly do not know the answer to that.

**Mr. Pierce:** The idea was that the claimant would get the larger of the two, whichever was greater. Certainly, the wording does not do justice to that kind of description but that was not what the idea was. It was that the claimant would get the pension that was the larger of the two amounts.

**Mr. Chairman:** That is what I—

**Mr. Pierce:** That is really not what we are saying here.

**Mr. Chairman:** You might want to save that for the claims people. Shall we go on to the next one?



**Ms. Madisso:** There is one recommendation left on permanent pensions. "The committee took note of evidence of hardship caused by the board's policy regarding the commutation of pensions, and therefore recommends that commutations should be granted not only for rehabilitative purposes, but also to help workers use their permanent pensions to increase their financial stability."

Board response: "The board is willing to review its current commutation policy."

**Mr. Chairman:** Aha, but has it?

**Mr. McClellan:** You asked the first of my questions which was, "Has it?" Second, I would like to ask the representatives of the board if they would ask Mr. Wolfson to make available to the committee the most recent statements of policy, and the most recent directives to the claims adjudicators with respect to the question of commutation, and that material be available to the committee, I hope, tomorrow.

**Mr. Glasberg:** We will make that request in response to your second question. In dealing with your first question, I expect the revised commutations policy should come to the board within the next few months. I do not know the exact date, but I understand it is fairly close to being complete.

**Mr. Gillies:** I wonder if you could bring me up to date on the current policy on small pensions. As I recall, is there not a provision that pensions of under 10 per cent were automatically commuted to a lump sum? Is that still the policy?

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**Mr. Glasberg:** That is right. It is actually more than the policy. It is a subsection of the statute, subsection 45(4) which basically indicates that when a permanent disability rating is 10 per cent or less, the board is required to commute that pension.

**Mr. Gillies:** I did not have the benefit of being on this committee when the last committee report came out. I wonder if somebody could bring me up to speed on what specifically were the committee's concerns regarding the commutation policy. Evidence of hardship is rather vague. Was the hardship that people receiving commutations later wished they were receiving the pension or was it people being denied commutations who should have got them, or both?

**Mr. Chairman:** Does anyone else want to jump in before I do? Please do. I am restraining myself.

**Mr. McClellan:** The experience of our caucus has been that it has been virtually impossible to

obtain commutations on behalf of injured workers and that people who have proposals for going into independent business—and I have had experience of very solid proposals, well costed and worked out—just get a flat refusal. I think that is still the case. I have not handled a commutation for a couple of years so I do not know if there has been a change or not. I gather the answer is no, there has not.

**Mr. Pierce:** That is quite true. I had one where the WCB has gone in and done a pro forma on the individual's business and told him that he did not need the commutation, that he would be better off to mortgage his home and leave the pension the way it is, and the pension is very small.

**Mr. Gillies:** Maybe I was lucky then, because I had one where a gentleman had a small business proposal and it was accepted, but I gather that is the exception to the rule.

**Mr. Mackenzie:** I wonder if we can get figures for the requests for commutations made and the number granted, say, over each of the last three years.

**Mr. Glasberg:** That would be very helpful.

**Mr. Chairman:** All I have here for the members' information is the fact that if a worker has a pension of six per cent on an arm or a leg and also has a back pension of six per cent, that worker cannot get a commutation because the pensions total 12 per cent. They are lumped together, added together, so the less than 10 only works if they total less than 10. Two sixes are more than 10 and they will not get a commutation.

**Mr. Gillies:** They could try to make a special case to get it.

**Mr. Chairman:** Exactly. Any other questions on commutation? We will come back for those numbers.

**Ms. Madisso:** The next chapter, "Supplements," is found on page 7 of our report. The committee recommended, "Rehabilitation or re-employment should be the only reasons for termination of supplements. Supplements should be terminated only upon review. Reasonable notice (consisting of a minimum of four to six weeks) should be given to the injured worker. Finally, the reason for the termination should be given."

The board response: "If the committee's recommendations were followed, there would be circumstances (e.g., where there is no appropriate rehabilitation program and no appropriate work) in which a lifelong supplement would be



granted. Section 45(5) of the act does not create such a right to a supplement.

As far as procedures are concerned, the board's procedures for termination of supplements "already appears to conform in all essential respects with the committee's recommendation."

**Mr. Chairman:** Is that clear? Any questions or comments? If not, let us go on.

**Ms. Madisso:** The next recommendation on supplements: "The board should make every effort to find a job for the older worker. The older workers' supplement is a benefit and should not be used as a cost-cutting measure."

Board response: "The board agrees that this supplement does not relieve the board of continuing to assist older workers in their search for employment. The board will ensure that the recommendation is, 'fully reflected in board policies and practices throughout the organization.'"

**Mr. Chairman:** I feel good about this recommendation by the committee. I think it was a major step and if it is interpreted properly by the board I think it is a good thing. I personally have had experience with workers who have benefited from this. I have also had some quarrels about interpreting what an older worker is, but in principle, I think it is a good one.

**Ms. Madisso:** The next recommendation is, "Part-time employment should be no barrier to the receipt of a supplement." The board response is, "Part-time employment arises in two ways: First, because this is all that the injured worker is able to undertake, and secondly, because the worker chooses it even though able to do full-time. In the first case the board assists the worker with a supplement during this transitional period; in the second case, the board either suspends or reduces the supplement."

The next recommendation is, "The awarding of a supplement should not be conditional upon enrolment in a vocational rehabilitation program." The board response at the top of page 6 is: "The board does not insist on formal enrolment as a condition of preservation of supplements. The board requires that the worker follow a 'course of action which is, in the opinion of the board, consistent with successful rehabilitation.'"

The next chapter in the committee's report was on "Appeals." There is only one recommendation about the Workers' Compensation Appeals Tribunal, which is, "The six months the tribunal will take to dispose of an appeal is too long and steps should be taken to shorten it." The board's

response is: "Although the tribunal's administrative costs are met by the board, the tribunal is an independent entity; the board has no statutory jurisdiction over the administration of the tribunal."

**Mr. Chairman:** May I suggest that, as Mr. Ellis is coming before the committee, we flag some of these for his response. The board is quite right, it would not be appropriate for it to respond.

**Mr. Gillies:** I was just going to make the suggestion that you did, Mr. Chairman. I wonder, also, if we could notify Mr. Ellis in advance that we would like to see some statistics on the length of time being taken in the processing of these appeals, so that he would be armed with them when he comes.

**Ms. Madisso:** Can I just point out one more thing, Mr. Chairman?

**Mr. Chairman:** Yes, please.

**Ms. Madisso:** On page 7 of the appeals tribunal's first report, they do address this recommendation of the committee's, in which they basically say that "there are some categories of cases...where it will be possible to complete cases as a rule within one to two months, and others" that will take "two to three months."

"But the tribunal" believes that the "planned turnaround time for cases involving entitlement or quantum-of-pension issues cannot be dealt with appropriately in less than six months."

The next chapter of the committee's report was "Doctors" on page 9 of the report. The first recommendation is: "Board doctors should not make diagnoses or recommendations without having examined the injured worker thoroughly; they should indicate the nature of the examination in the worker's file. Full medical reasoning should be provided by board doctors in their memos."

The board response is, "It is proper in some situations to draw conclusions from the information in the worker's file without an actual physical examination by a WCB physician. Where there is an examination, particulars should be fully documented. Where there is no examination, the rationale behind the medical advice being given should be stated."

The next recommendation on doctors is: "The board should regularly publish a list of its doctors and their areas of specialization. If the board seeks to overturn a claimant's medical evidence, the board must do so by means of a specialist of comparable qualifications to the claimant's specialist."

**Mr. Chairman:** There was no recommendation here that board doctors be allowed to extra bill, was there?

**Ms. Madisso:** No, never.

**Mr. Chairman:** I am just checking.

**Ms. Madisso:** The board response is: "The board undertakes to publish a list of its full-time physicians"—

**Mr. Pierce:** Are you making that recommendation?

**Mr. Chairman:** No, not at all. Sorry to interrupt.

**Ms. Madisso:**—"along with their areas of experience in either the Ontario Medical Journal or the board's annual report." The second response was: "If a worker's medical evidence is not accepted, the contrary medical evidence (which the board has accepted) comes from a physician whose expertise is comparable or superior to that of the injured worker's physician. The board is 'in complete agreement with the intent of the committee's recommendation.'"

**Mr. Pierce:** That is one for the committee.  
**1500**

**Mr. Chairman:** How can we fight them on that? We agree with it.

**Ms. Madisso:** It is just with the intent.

**Mr. Chairman:** Yes. That is right. There is a difference between intent and being in the act.

**Ms. Madisso:** I think there is a question.

**Mr. Chairman:** Sorry, Mr. McClellan.

**Mr. McClellan:** Do we have the list? I am sorry. Has this list been published?

**Mr. Chairman:** I have not seen it.

**Ms. Madisso:** It is not in that report. It is not in there.

**Mr. Chairman:** It would not have made the 1985 report. We would not have seen the 1986 report yet, but it could be in the Ontario Medical Journal.

**Mr. McClellan:** If the list has been compiled, perhaps it could be made available to members of the committee.

**Mr. Glasberg:** If it is available we will make it available to you this week; and if it is not we will provide it to you once it is published.

**Mr. McClellan:** Thank you.

**Ms. Madisso:** "Board doctors who make decisions on an issue at the initial adjudication should not subsequently review the issue at any level."

The board responds: "The board has implemented the recommendation by ensuring that physicians providing advice on initial adjudication decisions will not be asked to render an opinion if the issue comes before the review services division."

The next committee recommendation: "A medical practitioner who has been appointed to the panel of medical practitioners and whose assistance has been sought by the appeal tribunal should have access to all relevant materials used by the board, including the method used to determine the estimation of earning capacity."

The board response to that is, "The board is required by section 86j of the act to forward to the tribunal its records relevant to an appeal. The tribunal would presumably provide to any doctors it is consulting any information the tribunal may have received from the board concerning the method used to determine the estimation of earning capacity."

**Mr. Chairman:** Okay.

**Ms. Madisso:** The next chapter was rehabilitation. The first committee recommendation:

"Vocational training and education should not be a 'last resort'; they should begin early in the rehabilitation process. Board counsellors should develop expertise in helping injured workers select appropriate vocational programs. Two specific gaps in board programs for injured workers have been identified: English as a second language (ESL) courses should be extended and more training in high-tech areas should be provided."

The board response is: "The board agrees that vocational training and education should begin early; studies to evaluate the effectiveness of early intervention are being contemplated. However, these initiatives must be kept flexible in order to enable counsellors to tailor programs to the needs of individual workers."

**Mr. Chairman:** In view of the flexibility of that second sentence, the committee might want to pursue this matter with the rehab people at the board when they come, because there is no reference in the response to the ESL, English as a second language, or the high-tech areas.

**Ms. Madisso:** The next recommendation on rehabilitation: "An independent task force, comprised of representatives from labour, industry and education, should be established to make recommendations to the government and the board regarding improvements in the rehabilitation system."

The board response is that, "On May 14, 1986, the Minister of Labour appointed the Ontario



Task Force on Vocational Rehabilitation Services of the WCB."

**Mr. Haggerty:** When can we expect that report? Do you have any idea?

**Mr. Chairman:** I do not.

**Ms. Madisso:** It is not out yet. I do not know when they expect it.

**Mr. Haggerty:** How long is it going to take?

**Mr. Glasberg:** That is a matter which should be posed to the Minister of Labour. That is the minister's report.

**Mr. Chairman:** Okay.

**Ms. Madisso:** The next recommendation: "The rehabilitation branch should do at least one year of follow-up on a worker who secures employment."

The board's response is that, "Because the board believes that follow-up procedures with respect to certain categories of injured workers could be strengthened, it will examine programs for target clients who will benefit and will initiate enhancements where warranted."

**Mr. Chairman:** Does everyone understand that?

**Mr. Gillies:** Has it happened?

**Mr. Chairman:** Oh, I thought I was alone.

**Mr. McClellan:** Perhaps we could get a translation when the appropriate officials are in attendance.

**Ms. Madisso:** That could be put to them.

**Mr. Chairman:** The translation we have had is that they are going to look into it. It is not that we are trying to be mean to the board, Mr. Glasberg. It is just that these are lay people you are dealing with on the committee and some of the language befuddles us. We are not used to dealing with some of it.

**Mr. Gillies:** As politicians, we are used to being very straightforward.

**Mr. Hennessy:** Just like a corkscrew.

**Mr. Glasberg:** That is an appropriate concern, and if we are able to be perhaps a little less cryptic with some of those responses we would be pleased to do so.

**Ms. Madisso:** The next recommendation: "Testing of an injured worker should be directed towards determining the fields in which the worker is trainable rather than towards traditional IQ assessment."

The board response: "IQ testing is only one method used to evaluate a worker's interests or abilities. All testing is directed towards determining the fields in which the worker is

trainable. The board will continue to explore useful assessment techniques."

The next recommendation: "The board should put more emphasis on working with employers to help finance ways in which work places can be modified so as to accommodate injured workers."

The board response: "The board does currently pay all reasonable costs associated with approved modifications and will continue to explore ways of promoting work place modifications."

**Mr. Hennessy:** This does look very well, but the complaint I have is that management does not want to co-operate. There seems to be difficulty with the foreman or whoever may be in charge in trying to get the person relocated. You may have all the facilities in the world that are good for an injured worker to work at, but if there is no co-operation from management, his boss or foreman, it makes it extremely difficult. It becomes frustrating between the person who is in charge and the injured person.

In the majority of complaints I get, the person who is there to help does not want to help, and it makes it a little difficult for the person who wants to work there if he cannot move as fast or do things the way he used to do them because of the injury. That is where the conflict is. Everything else may be 100 per cent, but if there is no co-operation through the human element then everything is for nothing.

**Mr. Chairman:** I certainly agree with what you are saying. If this committee had its opportunity to have two weeks of hearings for the Workers' Compensation Board, it would have been nice to have had the head of the rehabilitation division, the pension division and so forth before the committee. I really wish we could have squeezed that extra week out of the system, as it were.

**Mr. McClellan:** I wonder whether we could get again the number of actual work place modification projects that were undertaken in the last year, the number of workers who were returned to suitable modified employment as a result of these work place modifications and the amount of money spent on work place modifications by the board over the course of the past year.

**Mr. Glasberg:** We will do our best to get that information for you.

**Ms. Madisso:** The next recommendation: "The board should assist injured workers with their travel costs when they are looking for work."



The board response: "The board is actively reviewing its guidelines for travel allowances."

**Mr. Chairman:** The operative word there, I hope, is "actively."

**Mr. McClellan:** "Reviewing."

**Mr. Chairman:** It is an important distinction. Can you help us, Mr. Glasberg?

**Mr. Glasberg:** Once again, I believe that is a policy that has been worked on for a number of months. I expect it will be going before the board of directors within the next few months.

**Ms. Madisso:** The next recommendation: "Because the interpretation of a given collective agreement can be an issue in a rehabilitation matter, the board should improve its understanding of these agreements."

The board response: "The board believes it has already complied with this recommendation in that it offers seminars to its vocational rehabilitation counsellors throughout the province on the subject of collective agreements."

The next chapter is "Financing the Workers' Compensation Board."

The first recommendation: "The board should examine the possibility of compulsory inclusion of all employers under the Workers' Compensation Act."

The board response: "This is a matter of policy for consideration by the provincial government. The board will undertake a study to assess the impact of broadening coverage under the act."

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**Mr. Chairman:** I love that recommendation; the board should too. I have always wondered why the stockbroker on Bay Street who benefits from the discovery of gold in Hemlo does not have to pay his fair share of compensation costs at Hemlo. Anyway, that is just a personal opinion.

**Mr. Haggerty:** They carry their own insurance.

**Mr. Chairman:** I think they should be contributing to the cost of the mining operations in northern Ontario and right now they are not. It would ease some of the pain of the people who have come to you, Mr. Pierce, and to me about the compensation costs.

**Mr. Pierce:** Those are not the ones who are in pain. The ones who are in pain are in the bush. The mining industry tells me its rates are being reduced.

**Mr. Chairman:** Yes. I just used a mining company as an example. The same is true of the resource companies. I just used Bay Street as an

easy example, but if all those employers in the financial services sector, for example, contributed to the cost of compensation, then—

**Mr. Pierce:** Do you mean even chartered accountants?

**Mr. Chairman:** Absolutely. They all benefit from what goes on in the bush and what goes on underground.

**Mr. Pierce:** The lawyers too?

**Mr. Haggerty:** Definitely.

**Mr. Chairman:** Especially.

**Mr. Pierce:** We are getting a negative nod from the lawyer's section here.

**Mr. Chairman:** Not to exclude actuaries either.

**Mr. Pierce:** Oh my goodness gracious; what sweeping legislation we are going to see in the next couple of months.

**Mr. Haggerty:** Is there not provision under the act now that permits certain individuals, companies or firms to go out and buy their own insurance that provides some form of compensation for their employees?

**Mr. Pierce:** There is a lot of that going on that is cheaper than contributing to workers' compensation.

**Mr. Chairman:** Mr. Glasberg could help us on that probably.

**Mr. Glasberg:** I believe that occupational groups which are not covered under the Workers' Compensation Act are free to purchase their own disability insurance. It may not be as cheap as workers' compensation, but I am not sure about that.

**Mr. Pierce:** Oh, no, no; wait a minute. That is only an assumption that you are raising; that is not a conclusion.

**Mr. Glasberg:** I do not know, but I assume that disability insurance is pretty expensive.

**Mr. Pierce:** I know for bush workers it is cheaper to buy private insurance than it is to buy WCB with the same coverage.

**Mr. Glasberg:** That is interesting.

**Mr. Haggerty:** That is the next question. Probably members received correspondence from Canadian Tire whose assessment went up so high. I think they have an opportunity to purchase their own insurance scheme and compensation. With the cost of assessment to employers today, like any other liability insurance people are looking for a bargain or for a market that is not as high a cost. Perhaps they will go to group insurance or something like that to

broaden their compensation. I think we should be concerned in what direction we are trying to get the WCB to go in view of the difficulties it has with its huge deficit. That is what is frightening.

**Mr. Chairman:** You leave that to Mr. McClellan. You also might want to ask Mr. Pierce what kind of benefits that private liability insurance pays to survivors and in temporary benefits for rehab purposes. However, I will not ask him that question. You might want to ask him some day.

**Mr. Pierce:** No, go ahead. I am not selling insurance.

**Mr. Mackenzie:** What are some of the main groups that are not covered under the act currently?

**Mr. Glasberg:** Offhand, I can think of the financial services industry, which has been mentioned. I know lawyers are not covered under the act. My impression is that it is mostly those industries which are not as risk prone as others in the province. It would be no problem for us to provide you with a list of the main industry groups which are not covered if you would like that.

**Mr. Chairman:** Let us move on.

**Ms. Madiso:** The next recommendation on financing the WCB: "The new corporate board should conduct a study to determine whether the present size of the unfunded liability constitutes a problem, how severe that problem is and what steps should be taken to remedy it. The corporate board's conclusion should be included in the next annual report."

The board response: "1: A discussion of this issue has been included in the board's 1985 annual report.

"2. In 1984, the board implemented a long-term funding and assessment strategy aimed at the eventual elimination of the unfunded liability. Commencing in the 1985 assessment year, annual increases in assessment rates (not to exceed 15 per cent in any single year) over a three-year phase-in period have been implemented. The object is to amortize the unfunded liability over a 30-year period.

"3. The board will be commissioning a study by external consultants, expected in the spring or early summer of 1987, to compile cost breakdowns over the past decade and to analyse the factors which have contributed to major cost changes."

**Mr. Chairman:** If you look at page 9 of the last report to the board, there is a very nice summary of it.

**Mr. Gillies:** Can Mr. Glasberg comment on the success thus far of the eventual elimination of the unfunded liability policy, in view of the figure I have heard that in the last year the unfunded liability has gone up from \$4 billion to close to \$5 billion?

**Mr. Chairman:** The question is whether it is increasing at a decreasing rate.

**Mr. Gillies:** Indeed, or whether what we are seeing is gradual expansion with the end being elimination.

**Mr. Chairman:** And a comprehensive social insurance scheme. Oh, you mean the unfunded liability.

**Mr. Gillies:** Also, whether the committee would support a motion to sell the whole WCB to London Life for a dollar.

**Mr. Chairman:** Mr. Glasberg, in the midst of all that, there is a serious question as to how the board is dealing with its unfunded liability.

**Mr. Glasberg:** I am not an actuary.

**Mr. Chairman:** He said proudly.

**Mr. Haggerty:** If you look at the report, the final paragraph sums it up pretty well. It says: "Given all of the assumptions listed, the unfunded liability will increase by more than \$300 million in 1987. Indeed, it will be the year 2003 before the first surplus appears."

It will be interesting to see what happens.

**Mr. Glasberg:** That is my understanding as well. For certain actuarial reasons, I gather the unfunded liability is going to go up before it goes down. I do not feel competent to explain that phenomenon.

**Mr. Haggerty:** Is there anybody who is?

**Mr. Chairman:** Oh, yes.

**Mr. Glasberg:** Certainly. Presumably the chief actuary will be here tomorrow and later on this week. I am sure he can explain it very eloquently.

**Mr. Chairman:** Are you talking about Mr. Neal? Are we talking about the same person?

**Mr. Glasberg:** Yes.

**Mr. Chairman:** Mr. McClellan.

**Mr. McClellan:** I do not know why you would ask me. Since you did ask me, I recall a lengthy discussion with Mr. Neal in 1977 during the estimates of the board, when the unfunded liability had reached the astoundingly dangerous level of \$300 million. It is now \$5 billion, but it is being reduced; and yet Mr. Pierce says it is not a cheap form of insurance.



**Mr. Glasberg:** In fairness, I am not sure whether those figures are comparable, because there was some indexation factor applied to the unfunded liability at some point, so the numbers may be closer than you have indicated.

**Mr. Chairman:** The unfunded liability grew to \$5.4 billion in 1985. There is a blank in 1986, because it says in 1987 it will grow by \$300 million more. I know you are not the actuary, Mr. Glasberg, and maybe it is an unfair question. Do you know what happened in 1986? Is it too soon to tell?

**Mr. Glasberg:** I would prefer not to speculate. I do not know the answer, frankly.

**Mr. Chairman:** Okay.

**Mr. Glasberg:** May I make one further comment apropos to Mr. Mackenzie's question about the industries which are not covered under the Workers' Compensation Act. I have that list. These industries include banks, insurance companies, trust companies, other financial institutions, recreational and social clubs and associations, theatres with live performances, broadcasting stations, trade unions, motion picture productions, educational and recreational camps, law offices, tree trimmers and others.

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**Ms. Madisso:** The next chapter is called "Employer Assessments and Penalties."

The first recommendation: "As an incentive to employers to both rehire injured workers and aid in the rehabilitation process, the assessment rate of employers should reflect the extent to which they hire or rehire injured workers."

Board response: "1. Subsection 104(1) of the act stipulates the method by which assessments must be calculated. The act does not allow the board to base assessment rates on the extent to which the employer hires injured workers.

"2. Subsections 105(2) and (3) allow merit rating. The board has introduced, on an experimental basis, merit-rating schemes in a number of rate groups, subject to the approval of a majority of employers within those rate groups."

**Mr. Chairman:** I do not have a copy of the bill here, though I probably should have. Surely subsection 104(1) does not say they cannot use the extent to which employers hire injured workers.

**Mr. Mackenzie:** Just raising it a little different way than you did, I was wondering if the second part of the board response is an indication that this should be handled through the merit-rating approach.

**Mr. Glasberg:** That is a reasonable inference from that answer. The board believes that through the more extensive use of experience rating, particularly for employers with poor accident performances, where their assessments are going to increase, there will be a greater incentive to assist in speeding the rehabilitation of the injured worker so that he or she can get back into the work place more quickly than what would ordinarily be the case.

**Mr. Mackenzie:** I am not sure if it totally relates, because a lot may depend on the ongoing ability of the worker and how many would end up with a reduced rate of competence. It might be a method of doing it.

**Mr. Glasberg:** I guess the board sees experience rating as a mechanism which is going to assist workers in being rehabilitated more quickly.

**Mr. Chairman:** Mr. Glasberg, if you look at subsection 104(1), the board says it cannot use the degree to which companies rehire injured workers to determine their assessment. I am not good at reading legal documents, but I do not see in 104(1) where it prevents the board from doing that. It is not a complicated section.

**Mr. Pierce:** I wonder if we could have a copy of the act.

**Mr. Chairman:** Yes.

**Mr. Pierce:** Is that a jolly good question?

**Mr. Chairman:** It certainly is. Perhaps you would like some time to think about that. I just do not understand why the board would use that reason.

**Mr. Glasberg:** My reading of the section is that assessment rates have to be pegged based on payroll. The percentage of payroll would depend on the accident experience of the employer. The section does not permit other considerations to be taken into account. That is precisely why the board has used subsections 105(2) and (3) of the act as an alternative mechanism to get these sorts of considerations in place when dealing with the assessment rates that employers pay.

**Mr. Chairman:** Okay. If the committee wants to, we can pursue it with the board policymakers when they get here.

**Mr. Gillies:** I take it the point is that the act does not specifically say you cannot take this factor into account. What it does is, the section lays out the factors that should be taken into account and this is not one of them.

**Mr. Glasberg:** That is a fair reading.



**Mr. Haggerty:** I was looking at that. You are dealing with a particular section on employee assessment and penalties. I see no relationship to the question that was directed. It says, "As an incentive to employers to both rehire injured workers and aid in the rehabilitation process, the assessment rate of employers should reflect the extent to which they hire and rehire injured workers." The response to it has no reflection upon the question asked. You are dealing with the assessment cost to local industries and so on.

**Mr. Chairman:** If there are any further questions we can ask the policymakers when they get here.

**Ms. Madisso:** The next recommendation is, "Employers should be educated to understand that the Human Rights Code prohibits discrimination against a worker to whom compensation benefits or pensions were or are presently paid."

The board response is, "The board will work with the Ontario Human Rights Commission to prepare a suitable information package for dissemination to all employers falling under the WCB Act."

**Mr. Chairman:** Do you know whether that has been done or are you still working on that?

**Mr. Glasberg:** I do not believe it is done but work is under way. It is a good recommendation.

**Mr. Pierce:** Is it presently against the Human Rights Code to have a portion on a job application form asking whether the individual applying is on compensation or has had compensation? Is that right?

**Mr. Chairman:** I think it is against the rules.

**Mr. Gillies:** My recollection is that it is against the code.

**Mr. Glasberg:** That is my understanding as well.

**Ms. Madisso:** The next recommendation is: "There should be higher fines for employers who violate the Workers' Compensation Act and the Occupational Health and Safety Act. Fines for violators should increase with the numbers of offences."

Board response: "The board's solicitor has been asked to review the fine and penalty provisions. This report will be referred to the board of directors. If the board of directors finds that amendments to the act are advisable, their recommendations will be forwarded to the provincial government."

**Mr. Chairman:** That would be a very good question for the chairman tomorrow.

**Ms. Madisso:** The next chapter is "Industrial Disease." The first recommendation, "The board should strengthen its role in undertaking a full investigation when an industrial disease claim is presented."

Board response: "The board has recently created a policy and specialized services division to address the way in which the board considers claims for industrial disease. The board expects that this division will seek appropriate advice from external experts. The board will also be able to rely on investigations carried out by the newly-created Industrial Disease Standards Panel."

**Mr. McClellan:** Before we move on, perhaps the representatives of the Workers' Compensation Board would relay to the chairman and the minister my expectation that the report done by Dr. Annalee Yassi studying compensation for industrial disease as a study for the Weiler report, which the minister promised to release in July, will be made available to the committee tomorrow so that we can deal adequately with this topic.

**Mr. Glasberg:** We will pass that information on to the minister's office and to the chairman's office.

1530

**Ms. Madisso:** The next recommendation is: "A thorough, independently-conducted medical examination of all workers working with asbestos and of all workers who have worked with it, whether or not they have a claim, should be done annually. The results of these examinations should be made available to the worker. Programs should also be undertaken which will protect members of asbestos workers' families."

Board response: "Regulations under the Occupational Health and Safety Act require workers who are currently employed in an asbestos exposure environment to have 'periodic' examinations. If a claim has been filed under the WCB Act, workers receive 'periodic' examinations, the results of which are shared with the workers involved."

"The board conducts outreach programs to inform doctors and unions. It will also write to all plant physicians in work places where asbestos is present to alert them to the provisions in the WCB Act."

"As regards the families of asbestos workers, the extremely remote possibility that an asbestos worker's family might contract an asbestos-related disease does not justify implementation of a medical program which, in the case of X-rays, carries its own risks."

**Mr. Gillies:** Part of the thrust of this recommendation was that all workers who have worked in an environment where there is the presence of a great deal of asbestos should be tested and reviewed. The response is that where there has been a claim filed such review is undertaken. I would suspect there are many workers being missed who for any number of reasons have not put forward a claim, perhaps out of ignorance of the dangers or a feeling that they do not want to rock the boat or whatever. While it would appear that the board is taking steps where it is aware of a case through a claim, there are many people being missed. I would hope the board would re-examine that policy.

**Mr. Glasberg:** If I might clarify: you are quite right that the Workers' Compensation Board would become involved with injured workers who have filed claims with the compensation agency. The asbestos regulation under the Occupational Health and Safety Act requires that periodic medical examinations, including chest X-rays and lung function tests be carried out on workers who are currently employed in environments where asbestos may be present. That regulation also requires that exposure records be maintained, which could be useful in the event that a claim for an asbestos-related disease is put forward. However, there are some workers who have neither filed claims with the board nor are currently employed in an environment to which the asbestos regulation relates.

What the board has endeavoured to do, and what the Ministry of Labour has done as well, is to try to put forward outreach programs to try to identify these workers so that if there is any evidence of asbestos-related disease, a claim can be filed. It is my understanding that very recently the chairman of the board has written to the ministry requesting that a meeting be convened to discuss this and other related issues so we can be absolutely certain that we are identifying as many of these workers as possible.

**Mr. Gillies:** I appreciate that, but my concern is just that. Workers may have had to leave their employment for health reasons, which may or may not be related to the environment of the work place; and because your programs, as you have described them, are focused on claimants and existing workers, my fear is that some of those who have been most adversely affected in their own health may be missed simply because they are no longer employed and/or have not filed a claim.

I cannot tell you that I know of a case like that, I do not; but it strikes me as a very real

possibility. I just wonder if there is some way we could broaden the net to include some of these people in the work that is being done.

**Mr. Glasberg:** I think the committee has made an excellent recommendation. It is our challenge, along with our sister agencies, to ensure that no one escapes.

**Ms. Madisso:** The next recommendation is: "The board should stop sending reports and correspondence concerning former employees of the Johns-Manville plant in Scarborough to the company. It should also make available to former employees copies of all correspondence between the board and the company."

The board response is: "1. The board believes that at present it is necessary to keep the lines of communication open with Johns-Manville in case there are future claims.

"2. Copies of relevant correspondence provided to Johns-Manville by the board will be made available upon request to individual former employees at the Scarborough plant."

**Mr. Chairman:** I have one comment on that. The first response does not really deal with the request of the committee that the board should stop sending correspondence between former employees to the company.

I gather what they are saying there is that they need to keep doing that to keep the lines of communication open. Is that what the board is saying? I am little confused about that.

**Mr. Glasberg:** That is basically it.

**Mr. Gillies:** Mr. Chairman, again, I apologize because I was not on the committee. In making that recommendation, was the committee's concern that information that should only have been privy to the board and the employee was being funnelled back to the company and that this was having an adverse effect?

**Mr. Chairman:** Yes. There was considerable anger among the committee members—I do not think I am overstating it—towards Johns-Manville because of its bankruptcy proceedings, and all that kind of thing. I think there was just the feeling that the board should not be co-operating with Johns-Manville. At that same time, if it was going to be helpful to the injured worker to have exchange of correspondence, I do not think the committee was anticipating that. That is my recollection of the process.

**Ms. Madisso:** The next recommendation was, "The entire matter of asbestos-related disease should be referred to the Industrial Disease Standards Panel."



The board response: "The board has established an internal committee to review the recommendations of the Royal Commission on Asbestos. The board expects that this committee will recommend that a number of issues related to asbestos will be referred to the Industrial Disease Standards Panel for consideration."

The next recommendation: "The spouses of deceased asbestos workers should be compensated regardless of the level of disability of the deceased spouse. Compensation should be automatic unless it can be proven that death was not related to occupational exposure."

The board response is, "Implementation of both parts of this recommendation requires legislative amendment."

**Mr. Chairman:** You would not have a draft copy of such an amendment before us, would you, Mr. Glasberg?

**Mr. Glasberg:** I believe the approach the board is taking as far as this recommendation is concerned is to go to the Industrial Disease Standards Panel and to seek its advice about the relationship between certain asbestotic conditions, such as asbestosis, and death which results from a variety of causes.

Presumably, if the panel indicates to us that there is this causal connection and circumstances that we had not recognized in the past, this will lead to more survivors of asbestos workers receiving full survivorship benefits. So there are some complex medical issues at play here, as well as the legislative issue which has been set out in the response.

**Mr. Hennessy:** Have you any idea when this implementation will come into effect?

**Mr. Glasberg:** The response from the panel?

**Mr. Hennessy:** Yes.

**Mr. Glasberg:** The panel does not report to the chairman of the Workers' Compensation Board, it reports to the minister. I suppose any questions about when particular reports might be expected should be directed to the minister.

**Mr. Hennessy:** Will there be a recommendation to have it retroactive to some extent?

**Mr. Glasberg:** I believe if the advice of the panel is that one ought to recognize a new medical connection and the board has not done so in the past, all existing files with those fact situations would be reviewed. Where benefits were originally denied, they might be reinstated.

1540

**Mr. Gillies:** Along with the survivors of asbestos workers, if my colleague Mr. Pope was

here I am sure he would raise the survivors of the silicosis victims from the gold mines in his riding. Just for the record, I want to put that forward again, although Mr. Pope and the minister did discuss it at some length in the recent set of estimates of the ministry, but I wonder if we might consider that in terms of recommendations for our upcoming report.

**Ms. Madisso:** The next topic was the board's annual report. The first recommendation is, "The following data should be included in every annual report: (a) persistency rates; (b) a 10-year (rather than three-year) statistical record; (c) the breakdown, by industrial disease, of pensions awarded."

The board's response: 1. "The 1985 annual report does now contain data on persistency rates, pensions and industrial disease."

2. "However, a 10-year comparative period is not useful in the case of some statistics because the basis for their calculations changed in the late 1970s. The 1985 report does provide data from 1980 to 1985. By 1989, the board will be able to report data over a 10-year period."

The next recommendation, "Actual figures (rather than percentages) should be provided under 'claims response times.'"

The board response, "The present system for collecting data does not allow 'claims response time' to be calculated in days."

**Mr. Chairman:** I think that needs to be repeated. "The present system for collecting data does not allow 'claims response time' to be calculated in days."

**Mr. McClellan:** How about in months?

**Mr. Chairman:** I think that is strange.

**Mr. Glasberg:** Just to clarify, perhaps the wording of the sentence in our response is not as clear as it might be. I believe one of the tables in the annual report talks about claims response time from 10 to 20 days, 20 to 30 days, etc. Perhaps what this response ought to have said is that—

**Mr. Chairman:** It is at page 13 of the annual report.

**Mr. Glasberg:** Perhaps what our response ought to have said is that we can be no more precise at this stage than the figures specified in this table, which talk about 10 days, 20 days and 30 days.

**Mr. McClellan:** The response refers to refining the method of data collection. Has that been done? I guess not.

**Mr. Glasberg:** I think the board believes there needs to be more work done within the organiza-



tion, frankly, to ensure that we have the right data elements to indicate how well our system is working. The development of that sort of data is something that really cannot happen overnight because of the need to ensure that you have the right computer software. The board is also awaiting the response, which was mentioned earlier in this report, to study on the underlying cost factors in the workers' compensation system. It may be that report will provide us with some additional information on what sort of statistics we really need to have an excellent grip on the system.

**Mr. Pierce:** I am not so sure that the response is an answer to the question that was being asked. Maybe I am looking at it from the wrong side, but as I recall, what we were looking for was not really an answer in days to the actual claims, but how many are being responded to and I guess maybe how fast. I am not sure. I am a little bit confused by both the question and the response.

**Mr. McClellan:** I do not understand the difficulty here. You are computerized, are you not?

**Mr. Glasberg:** We are computerized.

**Mr. McClellan:** So are we. I know what that tentativeness means. What we are talking about is entering opening and closing dates on files and then getting a printout on an annualized basis with actual figures. I do not think that is a particularly difficult task unless you have Data-point.

**Mr. Glasberg:** The board is in the process right now of putting into place a new master computer system for the client services area. This will be the opportunity for us to identify the key statistics we need and to build them into that system.

**Mr. McClellan:** How can you come up with figures? We were all familiar in the bad old days when Mr. Starr used to claim that 99 per cent of the cases were solved without any difficulties, blah, blah, blah. We are still using basically the same format. I do not know how you can get percentages if you do not know what the actual figures are.

**Mr. Glasberg:** I do not believe I am the best person to ask about the ins and outs of the board's computer system. We will undertake to have someone with the appropriate background here if you would like to pursue that question.

**Mr. McClellan:** I always thought you needed numbers before you could work out percentages, but maybe the board has discovered some new

secrets of mathematics that can be shared with us over the course of the next week.

**Ms. Madisso:** The next recommendation: "The statistics on the number of injured workers on active pension should be broken down to indicate how many workers remained with their original employers."

The board response: "These statistics are not currently kept. The board sees the usefulness of an ongoing study to monitor the experience of injured workers following an award for permanent disability. The board welcomes any further suggestions regarding such a study."

**Mr. Chairman:** Would the committee not be happy if the board just complied with the existing recommendation? Forget about the further suggestions.

**Mr. Hennessy:** You are in a good mood today.

**Mr. Chairman:** I do not understand that response. They do not comply with our request, and then they say, "However, if you have any further suggestions, let us know."

**Mr. Pierce:** Or run another study.

**Mr. Gillies:** But that is welcome, Mr. Chairman.

**Mr. Chairman:** Of course it is welcome, as long as they comply with what we have requested. Do you know about that, Mr. Glasberg?

**Mr. Glasberg:** I believe the board agrees that the information the committee is recommending be compiled is a good recommendation, and it will likely be moving in the direction of obtaining that information.

**Mr. Chairman:** All right, we will take it as spoken. We will hold you to that next year.

**Mr. McClellan:** That is right.

**Mr. Glasberg:** I am not the MIS person at the board, so I have to be a little tentative with these things.

**Mr. Chairman:** MIS?

**Mr. Glasberg:** That is something I did not know a year and a half ago. That stands for management information services; that is, computer people.

**Mr. Chairman:** So we should not feel collectively stupid because we did not know either.

**Mr. Glasberg:** I did not know before I joined the board.

**Mr. Chairman:** I feel better already.

**Ms. Madisso:** The next recommendation: "The statistics on patients who successfully completed treatment at Downsview Rehabilitation Centre should indicate what number remained with their original employers and what number are currently employed."

The board response: "The board agrees that such information would be useful and will pursue the matter in greater detail."

The next recommendation: "The statistics on industrial disease should include the following: (a) a list of specific diseases, (b) the number of claims allowed and (c) claim response time."

The board response: "As regards 'claim response time,' the present system for collecting data does not allow for this calculation in terms of days. Board officials will consider whether the present method of collecting data needs to be refined." I should add that the response to the first recommendation was that the diseases and the number of claims allowed are already in the report.

The last heading is "Benefits." The first committee recommendation: "While off work because of a compensable injury, workers should receive the normal benefits to which they are entitled. Included would be such items as dental, pension, employment insurance, Canada pension plan, etc."

The board response: "Because the act does not permit the payment of benefits such as unemployment insurance and Canada pension plan premiums, the committee's recommendation requires an amendment to the act."

**Mr. Chairman:** The Workers' Compensation Act?

**Ms. Madisso:** Yes.

The next recommendation: "The board should be permitted by the act to provide additional support for the worker's family in the form of, for example, a homemaker, child care and dental expenses for the children."

The board response: "The board will undertake a review of this recommendation."

**Mr. Chairman:** Why is Mr. Pierce smiling?

**Mr. Pierce:** I just think that is a great idea, Mr. Chairman.

**Mr. Chairman:** Do you think the board's response is a good idea?

**Mr. Pierce:** "The board will undertake a review of this recommendation." That is what it is going to do with all these recommendations.

**Mr. Chairman:** So far, there is nothing further to report on that, Mr. Glasberg?

**Mr. Glasberg:** I do not believe so. It is one of the issues that has been passed on to the board's policy area along with many other issues. The challenge right now is to put priorities on those issues and decide which have to be dealt with quickly and which can be put off for a little while.

I can assure you that your recommendations have not been lost. They are in the system.

**Mr. Chairman:** The members feel much better now.

**Mr. Pierce:** All the recommendation is suggesting is that they be allowed under the act at their discretion. They are not saying it is mandatory to provide those things. It is just that they be allowed to or be permitted to.

**Mr. Chairman:** Something like that, in some cases, is not the fault of the board. The act actually does not allow them to do it. It is up to the legislators to make the appropriate amendments.

1550

**Mr. Glasberg:** The board is a creature of statute.

**Mr. Pierce:** You would need a private member's bill for something like that.

**Mr. McClellan:** Was the committee's report not passed?

**Mr. Chairman:** We should find out. That is a good point.

**Mr. Haggerty:** I think it was just tabled.

**Mr. McClellan:** There is a difference between a report that is passed by the House and one that has just been received.

**Ms. Madisso:** The next recommendation: "Where overpayment results from an administrative error, it should be recovered from the administration of the board rather than from the injured worker, unless the error should have been obvious to the injured worker."

The board response: "The board would be avoiding its mandate under section 89 of the act if it did not generally require that overpayments be refunded. None the less, where hardship is great, the WCB may choose not to recoup the overpayment."

**Mr. Chairman:** This was the Pierce recommendation, I think.

**Mr. Pierce:** I am sure if the chairman received an overpayment he would be more than quick to respond by sending it back.

**Mr. Chairman:** I would share it with my friends.

**Mr. Gillies:** I wonder if we could get some information on the procedure or criteria that are



used in that determination by the board. I have no great problem with you exerting some discretion on the question of overpayments but, unless you can give us some more information, it does seem very subjective.

**Mr. Glasberg:** I will endeavour to determine whether those criteria are available and, if so, provide them to the committee.

**Mr. Chairman:** Do you actually have that discretionary power now to forgive an overpayment?

**Mr. Glasberg:** That is my understanding. I suppose in most cases where it has not been a fraudulent act on the part of the injured worker that has caused the overpayment, the board will look to see whether there would be financial hardship on the injured worker, bearing in mind its obligation to maintain the integrity of the accident fund.

**Mr. Chairman:** There is a very interesting reference to section 89 and the reason for the board collecting overpayments. I think members would like to hear that section, because the board says it would be avoiding its mandate under it.

The mandate under section 89 simply says: "It is the duty of the board at all times to maintain the accident fund so that with the reserves, exclusive of the special reserve, it will be sufficient to meet all the payments to be made out of the fund in respect of compensation as it becomes payable and so as not unduly or unfairly to burden the employers in any class in future years with payments that are to be made in those years in respect of accidents that have happened previously."

It is a bit of an extension of my credibility to see such a direct link as the board draws between a request and the reasons for not complying. Mr. Mackenzie?

**Mr. Mackenzie:** I am wondering also whether you can give us the number of overpayments: the number you have collected back over each of the last three years or the number that have not had to pay it back. Either way gives us the figure, I guess.

**Mr. Glasberg:** We will get that information for you.

**Mr. McClellan:** I would really like to see those figures, as well as the criteria. I have had cases where overpayments have been forgiven and I have had cases where the board ordered that commutations take place to repay overpayments, adding hardship upon hardship to injured workers. I am quite confused as to board policy around overpayments.

I had thought that the committee's and Mr. Pierce's recommendation was, seriously, a very sensible recommendation. If it is the board's error and is obviously not an attempt to defraud and there is hardship, then there should not be hardship added to existing hardship.

**Ms. Madisso:** The last recommendation: "A full review of persistency rates (the average number of full days on benefit for original lost-time claim) should immediately be undertaken by the new corporate board in order to determine the causes of increasing claim duration. The board should make its report public."

The board response: "The persistency rate issue will be part of the broad study of the cost structure of the WCB to be carried out for the board by an external consultant. The study should be completed in the spring of 1987 and will be made public."

**Mr. Chairman:** For the information of members about what happened to this report, the 1985 report of the committee was debated in the Legislature on January 16, 1986. "Debate on the motion for adoption of the recommendations contained in the report of the standing committee on resources development on the 1984 annual report of the Workers' Compensation Board was resumed and after some time, the motion having been put, was declared carried." So the recommendations in here were carried by the Legislature as a whole, not just by the members of this committee.

**Mr. McClellan:** It seems to me that changes the nature of the recommendations very substantially. They are instructions of the House to the Workers' Compensation Board, and I think we have an obligation to be more insistent than we otherwise would have been about their implementation.

In particular, I am very anxious to know whether all the studies or reviews that were ordered have actually taken place, because they are orders of the House to the board.

**Mr. Chairman:** Would it be helpful as well to have legislative counsel—I think legislative counsel rather than legislative research to which Ms. Madisso is attached—prepare amendments in keeping with a combination of this report and the board's response, where it says, appropriately so, that the recommendations require an amendment to the act?

**Mr. McClellan:** That is right.

**Mr. Chairman:** We would have to ask legislative counsel at least to prepare the



amendments. Then the committee can do what it wants with them.

**Mr. McClellan:** That would be very helpful.

**Mr. Gillies:** Yes, it would. I wonder whether it would be heresy to suggest to the board, when it is responding to future reports, that where the board notes with regard to a specific recommendation that it cannot be done under the existing mandate because a legislative change is required—which is obviously right and proper and should be pointed out to the committee—it would be appropriate for the board then to offer a substantive answer in terms of what the effects would be of the recommendation, even while acknowledging that it would require a legislative change to effect the recommendation?

If the board feels that is a no-go or inappropriate, I would not mind hearing its arguments on that, but I think it would be helpful for us in some of the recommendations to have that information.

**Mr. Glasberg:** That is a matter you might wish to explore with the chairman tomorrow.

1600

**Mr. Chairman:** It is a good suggestion. Is there anything else we want? Ms. Madisso has done a lot of work on this and put it in a very readable form so we could deal with it. Is there anything else that it would be helpful for her to do now, such as follow up the recommendations and divide them into two sections, those that have been complied with by the board and those that have not? Then the committee could direct itself either to making recommendations or not on those that have not been complied with. Would that be a help to the committee?

**Mr. Gillies:** That would be helpful if time allows, because we are really crammed in trying to do that this week. I appreciate, Ms. Madisso, that there are an awful lot of things we could do. It would be very helpful if you could break out the recommendations that have not been complied with and divide them in terms of those that would require legislative change and, I guess, then a recommendation to the ministry. Those that are administrative could just be made by way of recommendation to the board.

**Ms. Madisso:** Would the board's response of a study be considered compliance or noncompliance? What category?

**Mr. Haggerty:** Compliance.

**Mr. McClellan:** It depends on whether the study has been initiated and there is a reasonable timetable for its completion. I am quite unclear as

to the status of a number of board responses which indicate it is going to consider establishing a study. I do not know what that means.

**Mr. Chairman:** That bothers me too. What does that mean? Perhaps we could ask the board for an update on the things that the board has indicated it is doing a study on. We could get that in writing.

**Mr. Pierce:** By the look of the responses, there are a number of recommendations that say exactly that: that further studies or additional studies will take place. You could almost have a category in the list that would contain those responses because a number of them say exactly that.

**Mr. Chairman:** I agree.

**Mr. Pierce:** Or they suggest you recommend another study.

**Mr. Chairman:** Right.

**Mr. Haggerty:** But they also suggest implementation, for example, in the question about the diseased asbestos workers. The comment from the board is: "Implementation of both parts of this recommendation requires legislative amendment." They threw it back to this committee. They are saying the government or the Ministry of Labour must move in this area now to come forward with the amendments.

**Mr. Chairman:** The members will notice that being distributed is a new, red-covered copy, as opposed to the previous blue-covered copy of the Workers' Compensation Act.

**Mr. Hennessy:** The next one will be orange. That will be the day.

**Mr. Chairman:** I will go for that.

**Mr. Gillies:** Are we to refer to this, Mr. Chairman, as Chairman Bob's Big Red Book?

**Mr. Chairman:** The only other thing that remains then is to ask the committee to think about this coming Friday. On the agenda is: "Direction to the research officer for preparation of a report to the House." There is nothing that requires the committee to make a report like this. We may want to or we may not want to. We do not have to make a decision today, but we obviously should make it before Friday so Ms. Madisso knows what will be expected of her on Friday.

Anything else before we adjourn? Tomorrow morning, we meet at nine o'clock to comply with the Ministry of Labour schedule.

The committee adjourned at 16:05 p.m.

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**Witnesses:****From the Workers' Compensation Board:**

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No. R-27

# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

#### **Standing Committee on Resources Development**

Annual Report, Workers' Compensation Board, 1985

**Second Session, 33rd Parliament**

Tuesday, March 10, 1987

Speaker: Honourable H. A. Edighoffer

Clerk of the House: C. L. DesRosiers



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### **STANDING COMMITTEE ON RESOURCES DEVELOPMENT**

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Haggerty, R. (Erie L) for Ms. E. J. Smith

Hennessy, M. (Fort William PC) for Mr. Bernier

McClellan, R. A. (Bellwoods NDP) for Mr. Wildman

Taylor, J. A. (Prince Edward-Lennox PC) for Mr. Gordon

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# LEGISLATIVE ASSEMBLY OF ONTARIO

## STANDING COMMITTEE ON RESOURCES DEVELOPMENT

**Tuesday, March 10, 1987**

The committee met at 9:18 a.m. in room 151.

### ANNUAL REPORT, WORKERS' COMPENSATION BOARD, 1985 (continued)

**Mr. Chairman:** The resources committee will come to order for our examination of the annual report of the Workers' Compensation Board. We have the minister with us this morning.

For the information of members, we have distributed, from Merike Madisso, a document that was requested yesterday. Merike must have worked some extra hours—

**Ms. Madisso:** And typed it.

**Mr. Chairman:** —and typed it herself. It outlines the response of the board to the various recommendations of a year ago, and breaks it down into three recommendations that were not fully complied with and why they were not complied with. You need the summary that was prepared yesterday which ties in to this; you need both documents. The committee might want to look at that another time.

**Mr. McClellan:** I bring to the attention of the minister and my colleagues on the committee that I have circulated a motion to you, Mr. Chairman, and to the rest of the committee requesting the Minister of Labour (Mr. Wrye) to release the 1982 study conducted by Dr. Annalee Yassi into the management of health and safety claims by the Ontario Workers' Compensation Board. I am subject to your guidance as to how to deal with it. If the committee wants to deal with the motion quickly now, that perhaps would be an indication to the minister of the urgency of our obtaining this document as we start the estimates of the Workers' Compensation Board and try to come to grips with some of the issues dealt with by Dr. Yassi.

**Mr. Taylor:** Have you seen it?

**Mr. McClellan:** No, I have not. I gather a reporter from the Toronto Star has obtained portions of the report and has published an article. I do not think he has the whole report.

**Mr. Chairman:** Mr. McClellan moves that the standing committee on resources development requires immediately the 1982 study conducted by Dr. Annalee Yassi of the manage-

ment of occupational health and safety claims by the Ontario Workers' Compensation Board and calls upon the Minister of Labour to release the study forthwith.

**Mr. McClellan:** I will be brief. A report of the study was done by Mr. Deverell of the Star on February 19, 1987, which I do not think is based on a complete report. In fact, I think it is based on conversations with the doctor who did the report but he may have parts of the report. At any rate, I asked the minister for this document on July 2, 1986, in a question in the House. The minister indicated as follows: "It is not my view that we should withhold any matters or any studies without very good reason. I make a commitment to the member and to the House that we will take a close look at the reason any study would be withheld." The study is still being withheld. I raised the matter again in the House in the last session. I still do not have the report. The press has attempted to obtain copies of the report. The minister has refused to release the report. The report was done in 1982.

**Mr. Taylor:** It is sufficiently old to be harmless now. I do not know why it has not been released.

**Mr. McClellan:** It is an interprovincial report that I gather was part of the reason for the establishment of the Industrial Disease Standards Panel. It has been suppressed. Before we go any further, I ask my colleagues on the committee to support the motion and then hear from the minister as to when we can expect to have this report.

**Mr. Chairman:** The motion is in order. Is there any further comment on it?

**Mr. Gillies:** In the interests of openness and in the absence of freedom of information legislation, we support the motion. I think that the information is very important. We have heard statistics recently about the possible scope of industrial-disease-related claims, which as years go by could make the accident-related claims at the board seem rather pale in comparison. We would like to see this one and we will support the motion. If the Star did not have complete information in preparing its article, that is also disturbing news because clearly something is wrong in the information transfer mechanism

between the government and the Toronto Star; but that is a subject for another debate.

**Mr. Chairman:** You have heard the motion. Is it clearly understood? All those in favour? All those opposed?

Motion agreed to.

**Mr. Chairman:** The ball is in the minister's court.

**Hon. Mr. Wrye:** I had some indication my friend had this matter in mind. Perhaps I can get one of my staff to see if Mr. Sadlier-Brown can come in. That may be him on the way now. Mr. Sadlier-Brown, the assistant deputy minister of policies and programs, may be able to offer us further updated information, but let me explain to the members of the committee the situation as we found it about three weeks ago.

Since Mr. McClellan asked the question last summer, a great amount of work has been ongoing in terms of this report. There was a problem with the report. As I remember this, there were certain commitments of confidentiality to many of the people who were interviewed in the study. These commitments were made at the time the study was undertaken. Regrettably, there was a view that these commitments were breached within the study. There are in the study, in the original version, literally, claim numbers and names, as I understand it. Such identifiable information in this area of industrial disease is very sensitive, as my friend the member for Brantford (Mr. Gillies) raises.

For a period of time, members of the policy branch have been attempting to get the study to a point where the written commitment of confidentiality made at the time can be honoured without in any way attempting to take out the facts of the study. This is where I may ask Mr. Sadlier-Brown to comment. We talked about this about two weeks ago. We now are within about two or three weeks of having this matter done. Then I have asked that it be reread to ensure that no relevant facts have been taken out other than identifying information which, by dint of the contract that was signed, is improperly there in the first place. Perhaps I might ask Mr. Sadlier-Brown to expand on that. He may in fact have further information as to how close we are to a release of this study. I was told it would be some time in April. I asked that additional resources be used to move the matter forward as quickly as possible. I am not sure exactly where we are today.

**Mr. McClellan:** I will be happy to give you a black felt pen, which is what we use in the

standing committee on the Ombudsman to anonymize reports. If you have a black felt-tip pen maybe Mr. Sadlier-Brown can—

**Hon. Mr. Wrye:** It is several hundred pages. You may need more than one black felt pen.

**Mr. McClellan:** I will give you three.

**Hon. Mr. Wrye:** Perhaps I can ask Mr. Sadlier-Brown to comment because he has been—

**Mr. McClellan:** Ray is going to give you a black felt pen too.

**Mr. Sadlier-Brown:** The complete study has been gone through and it now is a document that at this moment is being reviewed by the legal staff in the ministry to make sure that the problems that caused the delay in the first place have all been resolved. As you indicated, minister, it should be available within a couple of weeks.

**Mr. McClellan:** How about making it available in a couple of days? We always have the route of obtaining a Speaker's warrant.

**Hon. Mr. Wrye:** I understand that, Mr. McClellan. I leave this in the committee's hands. Mr. Sadlier-Brown has pointed out that the matter now is being reviewed by the legal staff. There are some legal niceties to this. I certainly leave it in the committee's hands. I can tell you and I can tell the members of the committee that I asked that extra resources be put forward on this. I apologize for the fact that it has taken so long. One could argue that it has taken far too long. I do not wish there to be any sense that we are attempting to suppress it. It certainly is a difficult situation where—

**Mr. McClellan:** It is not an attempt, minister, it is a successful effort.

**Hon. Mr. Wrye:** The fact of the matter is that when you raised the question, my friend, in—

**Mr. McClellan:** It was July.

**Hon. Mr. Wrye:** It was July of last year.

**Mr. McClellan:** This is March.

**Hon. Mr. Wrye:** That was the first I was aware of it. The work began immediately but I gather the work has been very substantial in nature. It has taken some considerable length of time and I regret that.

**Mr. McClellan:** This is so pathetic, it is too weep. I do not want to hear any more, Mr. Chairman.

**Mr. Chairman:** One possibility the committee might want to consider is release of the document to the two critics with the understanding that until the thing has been anonymized, as



Mr. McClellan would say so eloquently, it not be distributed to other members of the committee.

**Mr. Gillies:** I do not want to see it until the sensitive information has been removed. If there is a legal problem, and I take the minister at his word, then for gosh sake, let us straighten it out before you hand it, say, to Mr. Mackenzie and so that it becomes our problem. I would like to add my voice to Mr. McClellan's to encourage the minister. If it is at all possible to accelerate this work in taking out the identifying information so that we could look at it with the opportunity of commenting on it this week, that would be most helpful.

**Mr. Haggerty:** Is there just the one copy? Does the minister's staff have the one copy? Does the Workers' Compensation Board have a copy of it?

**Hon. Mr. Wrye:** I am not sure how many copies are out there. I read the same reports in the Toronto Star that Mr. McClellan alluded to. I presume Mr. Deverell has had access to some of the information. My understanding is that there have been other copies out there.

**Mr. Haggerty:** How many?

**Hon. Mr. Wrye:** I do not know; I have no idea. This study was agreed on back in 1981 and is a 1982 or 1983 study. I believe it is a 1982 study.

**Mr. Haggerty:** Does the Workers' Compensation Board have a copy of it?

**Dr. Elgie:** I am sure we received copies of the various drafts. The most recent would be the one the minister is referring to, where an effort is being made to remove all information that is identifying. I believe our legal staff was on that last week and has returned it, saying we now believe anything that identifies employers, employees or staff members has been appropriately removed.

0930

**Mr. Haggerty:** In other words, your comment, Dr. Elgie, is that you concur with the draft proposals. Have you recommended any changes in it?

**Dr. Elgie:** Pardon?

**Mr. Haggerty:** Have you recommended any changes in the draft proposals that you have had an opportunity to review from the—

**Dr. Elgie:** From the board's perspective, Mr. Haggerty, the only concern I made to the ministry last summer was that the author had a written contract with the board with respect to confidentiality and the protection of individuals

by name or indirect implication, and that those things had to be removed from the board to honour that agreement. The substance of the report was not an issue we were to address ourselves to.

**Mr. Mackenzie:** I can recall two or three occasions with committees of this House in the past where we have received reports or documentation where the proverbial black felt pen has been used to cross out. I can remember some of the social assistance review stuff a couple of years ago where that happened. I would rather see the report released using the felt-tip pen, if necessary, to cross out what might be confidential information, rather than have it removed otherwise because that could very well lead to adjustments in the actual report, if there are changes in terms of removing identification remarks. I see no reason why it would be impossible to have staff do that kind of job on the report very quickly.

**Hon. Mr. Wrye:** Mr. Mackenzie, as I understand it from those who have been undertaking this task, it has not been possible to get it done quickly. The problem has been, I gather, that the identifying information Dr. Elgie has just spoken about has in some parts of the report literally been interwoven into the report. As Dr. Elgie has pointed out, there is a clear legal contract that has been signed in which confidentiality is to be respected.

I guess we have two problems, Mr. Mackenzie. The first is that it has gone through the board's legal branch and now is at ours to ensure it does not get out there and then somebody finds out: "We have made a mistake. There was some identifying information left in." The second one is, and I will share this with the committee, exactly the problem that you and Mr. McClellan have talked about. At our meeting three weeks ago I had asked that once the matter was reviewed, somebody in the policy branch take a very careful look at the original report and the final edited version with the identifying information edited out, to ensure that the tone and tenor of the report had been changed in no way.

It is not my report, Mr. Mackenzie. The last thing I want is for somebody to suggest that we have made any effort to edit down the tone, tenor and conclusions of the report. That is not our object. The objective is a very simple one, to meet not only the spirit but also the absolute letter of the contract that was signed.

**Mr. Chairman:** The minister has to appreciate the nature of the request, and I assume, will comply.

**Hon. Mr. Wrye:** We will see what we can do. Mr. Chairman, if we can get this matter—does the committee sit through Thursday?

**Mr. Chairman:** Yes.

**Hon. Mr. Wrye:** Are you going to sit Friday as well?

**Mr. Chairman:** Friday morning.

**Hon. Mr. Wrye:** I will ask Mr. Sadlier-Brown to request the legal branch to do everything in its power. If we can get it cleared through the legal branch before we review the copies, we will share it with the committee immediately. If we can get that done, I will give you a commitment that it will be shared with you this week and then we will continue to have this ongoing review to make sure we have taken out nothing of substance, other than the identifying information. If we have, we will get back to you with that as a change. I will try to get it to you this week; I make the commitment to the committee.

**Mr. Chairman:** All right. Today the committee is hearing from the minister, from the chairman of the Workers' Compensation Board and from the two opposition critics. Tomorrow, we move into hearing from the employers' adviser, the workers' adviser and the Workers' Compensation Appeals Tribunal, and on Thursday from the representative groups for injured workers and employers. Then on Friday, we hope to give some instructions to Merike Madisso on whether we want a report and, if so, what form it should take.

So let us proceed. If the minister would introduce those people with him before he begins.

**Mr. Taylor:** I have a point of order, Mr. Chairman. We had a resolution passed unanimously, as I understand it. We understand the disposition of the release of that report. The resolution will no longer maintain its integrity, because we are going to get an edited version of the report and not the report itself. I am wondering if that is acceptable to the committee.

**Mr. McClellan:** It is certainly not acceptable to me. At this point, we are running into some time problems and perhaps we might want to come back to that issue. Again, I am quite dissatisfied with the resolution of that matter.

**Mr. Taylor:** On the point of order, it seems to me that we have a resolution that is passed by the committee. We have now what seems to be an undertaking by the minister to release an edited version of the report, not the report. The edited version will be edited by ministry staff, unsupervised. I am not just talking about deletion of

name, rank and serial number. We are obviously talking about something else, in addition, because if it was simply deleting names, then that could be done fairly quickly.

What we are talking about is ensuring that the report does not have any legal ramifications in terms of opening up presumably the government and the authors of that report to some legal liability. When you start doing that, then you start pruning and revising, I would think. So I just wanted to raise the issue that if the committee thinks it is going to get the report in accordance with the resolution, then I think it is deceiving itself.

**Mr. Chairman:** Mr. Taylor, is your point that you would like to have the report completely unexpurgated and unedited?

**Mr. Taylor:** My point was a point of order, Mr. Chairman. Maybe Mr. McClellan would like to revise his motion so that it is acceptable to the committee to receive a report in a revised form.

**Mr. McClellan:** At this point, I would like to see what the minister does. It is always open to the committee to request a Speaker's warrant to obtain the original report. That is always an option that is open. It cannot take place until the House is back in session. If the minister fails to give us a document that makes sense, then I think there are still avenues open to us. For the time being, I heard a commitment from the minister to produce a document this week.

**Mr. Taylor:** But will that change the substance of the report?

**Hon. Mr. Wrye:** I am advised by Mr. Sadlier-Brown that some time later today we could get you a copy of the report which we could give to the committee. I offer you this last problem—I am in the committee's hands. The editing is completed. The legal branch has apparently virtually completed vetting it, and that is being done right now.

The plan had been to show the edited version to Dr. Yassi herself to ensure that nothing of substance—which is the discussion Mr. Taylor and Mr. McClellan are having—has been taken out. Dr. Yassi is in Manitoba. I do not know whether the plan was to get that. Obviously we will have a problem in terms of the committee's agenda this week.

If the committee members wish—and I just lay this before the committee—we will not have been able to show it to Dr. Yassi; we will share it with you. I will make you a commitment that if Dr. Yassi has any problems, we will get back to you



and indicate that she indicated there is a problem.

**Mr. Haggerty:** That is reasonable enough.

**Mr. Taylor:** That is okay.

**Hon. Mr. Wrye:** I think it will be some time late this afternoon.

**Mr. McClellan:** It is amazing how the process sometimes works.

**Mr. Chairman:** Minister, if you would identify the people with you this morning and we will proceed.

**Hon. Mr. Wrye:** I have Dr. Robert Elgie who, as members know, is the chairman of the Workers' Compensation Board, and Dr. Alan Wolfson, who is the vice-chairman, president—he has a lot of titles—of the Workers' Compensation Board. I presume, Dr. Elgie, when you make your opening comments, you will be introducing a number of the people with the board who are here, unless you would like to do so now. The only official from my ministry is Mr. Sadlier-Brown. Do you want to introduce them now or wait?

0940

**Dr. Elgie:** I can introduce them, if you wish. You mentioned Alan Wolfson. We have Sam Van Clieaf, the vice-president of corporate affairs. Sam, would you identify yourself? We have Bob Reilly, who is vice-president of client services. Irwin Glasberg is director of planning and analysis. Dr. Elizabeth Kaegi is vice-president, policy, planning and special services. John Neal is the board's actuary. Doug Cain is the director of review services, and Gord Haugh and Richard Murzin are from the communications division. I believe they are the only people I have.

**Hon. Mr. Wrye:** I thank the committee for the opportunity to share some observations on the workers' compensation system in our province. I also beg the committee's indulgence and, Mr. Chairman, I think you have probably indicated to committee members that I will have to leave shortly after the statement. There is a meeting of the policy and priorities board of cabinet which I must attend shortly after 10 a.m. I apologize. I will not be back. Then, I am heading back to Kingston. All of this was passed on to my friend, the chairman, some time ago, and I apologize to the committee, but commitments were made in Kingston some time ago, before it became clear this was the day of the meeting.

**Mr. McClellan:** I am sorry. Just so I understand what is happening here, is the minister going to give a little lecture to the

committee, and then leave for the balance of the estimates and not listen to any of the proceedings? Mr. Chairman, is that a correct understanding of what is happening here this morning?

**Mr. Chairman:** That is what I heard him say.

**Hon. Mr. Wrye:** As I recall, it is a review of the annual report of the Workers' Compensation Board and members of my staff will be here.

**Mr. McClellan:** Minister, there are certain courtesies and traditions around this place that, at the very least, would have had you here for the two critics. That is just a matter of elementary courtesy.

**Hon. Mr. Wrye:** Mr. Chairman, I want to put this clearly on the record. There was a problem which you were made aware of, in that the policies and priorities board of the cabinet of the province is meeting, and there is a requirement that I attend that meeting for a number of reasons.

**Mr. McClellan:** What is happening in Kingston? Is the cabinet meeting in Kingston?

**Hon. Mr. Wrye:** We indicated to you a number of commitments had been made—

**Mr. McClellan:** Do you have to get some cheques to Kingston?

**Hon. Mr. Wrye:** No, I have no cheques to take to Kingston. Mr. Chairman, as you know, that indication was given to you some time ago. I apologize to the committee. Certainly, I will have a member of staff here throughout—

**Mr. McClellan:** Whoop-dee-doo.

**Hon. Mr. Wrye:** —and, if there is anything that needs urgent attention, we will attempt to deal with that.

**Mr. Gillies:** I do not want to make a big deal about this, because we have enough of a time problem as it is, but I want to draw to the minister's attention the problem we have. For example, going through the WCB's response to the last report yesterday, the WCB officials who were before us quite rightly said to a number of the recommendations from the committee: "That is a legislative matter. You have to take it up with the government. You have to take it up with the minister to see if any changes in XYZ area are contemplated, because that is not board policy nor administrative stuff. It is government policy."

I want to know, through this process this week, who is here to whom we can say, "Are you contemplating a change in legislation to effect what the committee is getting at?" Minister, if you are not here, we sure want to know there is a mechanism in place so there is somebody to



whom we can say, "We think this should be done" and know that concern will be relayed directly back to you, and that a response will be forthcoming.

**Hon. Mr. Wrye:** There will be a response forthcoming. Mr. Gillies, I am not certain exactly what to say. The cabinet is meeting in Cornwall. The problem I had this week was made clear some time ago. Certainly, it does not please me that I have this conflict, but I have a conflict. It is all well and fine; certainly, we will—

**Mr. Gillies:** I recognize that and I am not saying "Be here" when you cannot be here. I am just asking, is there some way we can be sure the concerns of the committee are passed directly to you—

**Hon. Mr. Wrye:** Yes, sir.

**Mr. Gillies:** —and that a response on those matters which are government policy and not board policy—

**Hon. Mr. Wrye:** Yes, sir.

**Mr. Gillies:** —will be responded to very directly?

**Mr. McClellan:** How can we do that if the minister will not be here at all for the next five days?

**Mr. Chairman:** The chair is becoming agitated at this point, not because of time but because I think I must put it on the record since it is something that has been put on my feet.

**Mr. Haggerty:** Is somebody kicking you?

**Mr. Chairman:** No, to be fair, Minister, we were not informed that you would not be here for the balance of the day. We were informed that you said you had a 10 o'clock appointment and, therefore, you would appreciate it if the committee could schedule its commencement at nine o'clock. I wanted to be fair about that. We did not know your schedule for the balance of the day—or the week.

**Mr. McClellan:** Surely, you are not unavailable for the rest of the week. I would like to make a suggestion, Minister, because I can tell you that I do not, as a rule, go through estimates in the absence of ministers. It is a complete waste of my time and of everybody else's in the room. If you are engaged in a political discussion and there are no politicians on the government side present, it is a complete waste of everybody's time.

I would like to ask you, is it possible for you to readjust your schedule so you can be here Tuesday, Wednesday or Thursday at which time the opposition critics can respond? Perhaps that will create some difficulties in terms of what is

being scheduled. I do not see any point in making a political speech to Dr. Elgie; I do not think that is fair. I have done it in the past when he was minister.

**Dr. Elgie:** You have done it before.

**Mr. McClellan:** Yes, but it is not fair now. He is chairman of the board; he is not the minister responsible. My remarks are to the minister responsible, which happens to be you. You seem to be off on some pre-election junket.

**Hon. Mr. Wrye:** I do not think a cabinet meeting in Cornwall, with respect, Mr. McClellan, is a pre-election junket. I do not think you can quite qualify it in that way. I am going to Kingston to fulfil a commitment which I had made for this morning, which I cancelled because of this meeting and because of the policy and priorities board of cabinet. I apologize to you, Mr. Chairman, I do not want to suggest or leave the impression, if it is not correct, that it was indicated I would not be here. I clearly left that instruction that I had this problem.

I suppose if anything can be done I have commitments right through Thursday afternoon beyond Cornwall for Ottawa, but I am in the hands of the committee. If the committee would like me back here on Thursday I will get back here on Thursday, but I cannot be here for a part of today and I cannot be here tomorrow. The cabinet is meeting in Cornwall.

**Mr. Hennessy:** Mr. Minister, with all due respect, the majority of people are here because you are here to make a statement. If you left, I think they would all follow you. They would be all gone. There would be no sense in having a meeting.

**Hon. Mr. Wrye:** The important people have to stay.

**Mr. Hennessy:** Maybe they would think they were giving something away, I do not know. Nevertheless, for you to go to a cabinet meeting does not make any sense to this committee here because we do not have any authority whatsoever, and we are not the people who can make the decision. It is like saying, "Let your wife take the message," but if she takes the wrong message or gives you the wrong message there is hell to pay. I am saying it is the same in this case. The people do not have the authority when it comes to the bottom line, and the committee will not be any wiser. I do not think the general public will be any wiser.

As far as I am concerned, I would say that we should adjourn the meeting, because if the minister is not going to be here, nothing is going

to be settled, nothing is going to be decided and, as far as I am concerned, the minister should make time for this committee. It is very important. There are a lot of important questions. There are a lot of people outside, a lot of workers who are waiting for answers to these questions. If we cannot get them from the almighty there is no sense in trying to get them from the guy who is carrying the spear.

**Mr. Mackenzie:** Minister, it may not have been intended, and I do not think it was, but I hope you realize the position almost of contempt that you are showing for this committee. This minister should remember sitting in opposition for a number of years, and the complaints we in opposition have had about the input into government.

You are asking us to sit here and listen to your report for one hour and then tell us you are not going to be back and we are going to have some underling representing you here as our critic and as the Conservative critic responds to your report. It is totally unacceptable.

I would hope the minister recognizes exactly what he is saying to this committee and what he is saying to the members of the House and the procedures of the House. It is a position that shows less respect than we had from the previous government. We had a lot of squawks then.

0950

**Mr. Hennessy:** Could you put that in writing?

**Hon. Mr. Wrye:** I spoke to the secretary of the policy and priorities board immediately on learning that there was a conflict. I was advised that because of the scheduling of the board and because of the fact that the cabinet is meeting in Cornwall, there was no other time. The 10:30 meeting was backed up to 10 o'clock and I suppose I will not be there for the beginning. I may not be there for the end of it either. There was no other time other than this morning that P and P could meet. Every effort was made to move P and P to the afternoon or even to move it to another day.

I assure you it is not my desire to come before this committee—I remember my days in the opposition—and in any way to deliver an insult to the committee. As I said, if the committee wishes—and I could look at the schedule—I can be here either later on Thursday afternoon or I can be here all day Thursday or Friday morning.

**Mr. McClellan:** We could reschedule the critics' remarks for Friday morning.

**Mr. Chairman:** Order. It is going to be very difficult to say to other groups that they have to

come now, today. That is not fair and could not be done, in my view. If the committee wants to reschedule this week, the only time I see is Friday when we were going to deal with what happens with the report. We could reschedule that for Friday if that is the wish of the committee. It would be unfair to anybody else to do it any other way.

**Mr. Pierce:** By way of comment, this committee went through the estimates of the Ministry of Northern Development and Mines. We bounced ourselves around like a rubber ball to fit into the schedule of the Premier (Mr. Peterson) because he was not available to present himself to the committee even though he knew our schedule many weeks in advance. This schedule of meetings with the WCB has been scheduled for a number of weeks.

I do not see what is happening with this committee that we are not getting any respect whatsoever from the government, right from the Premier down through the minister. We are the last ones on the list when it comes to setting priorities. If the minister's priority is not with this committee, certainly the Premier's priority was not with this committee and we are being blockbusted at every move. We bounced ourselves all around the country in the last three months to facilitate both the Premier and now the Minister of Labour and I do not think we have to do that.

**Hon. Mr. Wrye:** Mr. Pierce, I apologize for it. The fact of the matter is that cabinet is meeting in Cornwall tomorrow.

**Mr. Pierce:** That is not an excuse, Mr. Minister, we have been meeting here all winter.

**Hon. Mr. Wrye:** I understand that, but cabinet is meeting in Cornwall. That meeting was set some other time. Perhaps you might want to argue that the minister ought not to attend cabinet in Cornwall to be here. That is an option but clearly there are important matters in front of cabinet in Cornwall. The Association of Municipalities of Ontario is coming in to make a submission to cabinet that requires my attendance. It certainly presents a conflict.

**Mr. Chairman:** I think you have to understand that there is a cumulative sense of unhappiness on the committee because of what has happened in the last two months and that is why committee members are saying the things they are saying. I must say, as chairman of the committee, that I share in precisely what Mr. Pierce has just said; it has been incredibly frustrating to try to schedule anything with this



committee. I do not blame committee members for being so unhappy. You are getting the brunt of an accumulation of what the committee regards as being treated unfairly. You happen to be in the seat on the morning when it all comes to a head, but that is not the fault of the committee either.

**Mr. Haggerty:** We are losing valuable time by putting forward arguments over the fact that the minister cannot be here today. He is here this morning and we probably could have gone through his submission this morning. He said he would be here on Friday and that to me is a reasonable approach to it. I have sat on committees for a number of years when not only the minister could not be present but other members of different parties could not be present and we delayed it or referred it to another day. I think we can accommodate the minister for that day.

If you are not happy with it, I suppose if you look at it, you have another shot in the Legislature to present your views there. You have the report that will be tabled in the Legislature and you can debate the issue there and I hope the minister will be there. Sometimes I find that too much of our legislative work is being dealt with in committee and not on the floor of the Legislature. Sometimes I think it is better to have it debated there than in committee because you have the full input of 125 members.

I suggest we accommodate the minister and get on with Dr. Elgie. We are losing valuable time.

**Mr. Taylor:** I perceive some sense that this is a manifestation of disdain from the assembly. I am not talking in a critical sense of the minister himself. I appreciate the very difficult schedule he must have, having had some experience in cabinet. Also, of course, you never had a full attendance in cabinet either. I guess it becomes a matter of priority.

What troubles me is that this committee is really the assembly in a sense. It is an all-party committee appointed by the assembly and doing the assembly's work. It is a matter of perception of the minister's consideration and accountability to the assembly itself. That may be part of the problem. I suppose it is something he is going to have to struggle with in terms of what his priorities are, but it is surely imperative that the minister be present for as much of the proceedings of the committee as possible.

**Mr. Chairman:** I hope we do not need a much longer debate. We must decide now on the schedule. Does the committee want to hear from

the minister and the chairman of the board this morning and have the opposition critics respond, or do you want to put today off until Friday? That seems to be the real question before the committee. Can we address ourselves to that question now?

**Mr. Gillies:** I hope the minister is not taking this personally.

**Mr. McClellan:** I hope he is taking it seriously.

**Mr. Gillies:** I think it has been indicated this is symptomatic of a much bigger problem. From where I sit, the problem is that this government has struck so many standing and select committees that they tie up the members of the assembly in knots and the ministers cannot accommodate themselves to the schedule of the committees.

With all respect to Mr. Haggerty, you say too much of the business of the government is being done in committee and not in the House. Whose fault is that?

**Mr. Haggerty:** It is the House leaders.

**Mr. Gillies:** Come on. You have committees sitting all over this building while the government goes off and does its political-priority work in eastern Ontario.

**Mr. Chairman:** Order. Mr. Gillies, could you ignore the interjections and make your point.

**Mr. Gillies:** The point is that if the minister has to go to his policy and priorities meeting, I think he should. We have a copy of his statement, and I can read it at a convenient time. The benefit of having the minister here is not to hear his velvet tones intone his statement. The benefit of having the minister here is that we can ask him questions and make points to him. If that cannot be done now, we had better do it at another time.

I am sure other members of the committee, like me, have commitments in our ridings on Friday afternoon that we made based on the schedule that was before us. If you are suggesting we sit all day Friday in order to accommodate the minister, that causes me problems and it probably causes some of the other members of the committee problems, but if it has to be, I guess it has to be.

**Mr. McClellan:** Very briefly, I think it makes sense now, in the light of the discussion, that we reschedule the statements of the minister, the critics and any other statements from members of the committee for Friday morning and for as much of Friday afternoon as is possible.

**Mr. Chairman:** Do you mean the Minister of Labour and the chairman of the board?



**Mr. McClellan:** No, I think we should hear the chairman of the board this morning and proceed to deal with the Workers' Compensation Board, and then come back to the minister after we have had our hearings during the week and spend Friday with him.

**Mr. Chairman:** Is it acceptable to the committee that we deal with the chairman of the WCB today and then on Friday morning, the minister will be here at 10 a.m. to deal with his statement and responses by the two opposition critics and questions from any other members?

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**Mr. McClellan:** Could we start at nine o'clock?

**Hon. Mr. Wrye:** We can start at eight o'clock as far as I am concerned.

**Mr. Chairman:** Ten o'clock?

**Mr. Pierce:** We started at nine this morning.

**Mr. Chairman:** Nine o'clock.

Interjections.

**Mr. Chairman:** Order. There seems to be consensus that we start at nine on Friday morning. We will deal with the minister's statement and then responses by whoever on the committee after that. In that case, we will move directly now, almost on schedule, to the statement of the chairman of the Workers' Compensation Board.

**Hon. Mr. Wrye:** Treat them nicely now.

**Mr. Chairman:** As members know, the chairman of the Workers' Compensation Board is Dr. Elgie, who found an even more challenging job than being a member of the opposition and moved over to the WCB. Welcome, Dr. Elgie.

**Dr. Elgie:** Thank you, Mr. Chairman, for those kind remarks.

**Mr. Haggerty:** If you moved over a little to the left maybe we could—

**Dr. Elgie:** Actually, the move would be to my right, although maybe your left, and I have already found those moves difficult.

Interjections.

**Dr. Elgie:** I have to stop reading Claire Hoy, I guess.

**Mr. Chairman,** thank you very much. I have already had the opportunity to introduce some members of the staff who are here and, if I may, I would like to proceed with some introductory remarks.

In the fall of 1985, my opening remarks to this committee were directed at changes taking place

within the workers' compensation system in Ontario. At that time, I had just assumed the position of chairman of the Workers' Compensation Board and I spoke then about events which had largely preceded me. On this occasion, I am in a position to address myself to changes which have been implemented and initiated during the past year and a half.

I include in these changes significant developments with respect to the reorganization of the board; the opening of further regional offices in Hamilton, Thunder Bay and Ottawa; relationships with various external agencies; the board's assessment rate strategy; corporate fiscal responsibility; developments in our experience rating strategy; and advances being made towards improving health and safety education programs in Ontario.

I will mention as well matters relating to the board's unfunded liability and the Downsview Rehabilitation Centre. In particular, I would like to comment on steps we are taking to endeavour to provide some medical rehabilitation services closer to home for injured workers. I will also point out ways we are enhancing the quality of working life for our board staff as a whole.

Let me say, first of all, that the annual report you have in front of you, which covers the year 1985, mirrors many suggestions made by this committee when it sat last year. It presents a detailed analysis of the board's activities, including a new section called Facts and Figures, which contains 20 charts illustrating the major features of the board's day-to-day operations.

A number of recommendations were made by this committee in its report on the 1984 annual report of the Workers' Compensation Board. I understand that you reviewed our written comments on these recommendations yesterday. I would like to express my appreciation to the committee for its insightful recommendations with respect to Ontario's workers' compensation system. I trust this valuable interchange between the Legislature and the board will continue.

My staff and I will be pleased to answer any questions you might have about our 1985 annual report, these introductory remarks and our response to the standing committee's recommendations of last year.

Turning to the comprehensive reorganization now under way at the board: early in June 1986, the board of directors approved the beginning of a full-scale reorganization of the board into three integrated service groups, to replace the more segmented divisional structure which had been in place for many years. It was a decision that

marked the beginning of an organizational metamorphosis of the board into a more integrated, client-oriented service agency. Since then, we have made significant strides in this full-scale restructuring.

First, we have created a client services group which, with the assistance of an implementation team, will oversee the integration of our claims, medical and vocational rehabilitation services. The claims adjudicator, the vocational rehabilitation counsellor and the board's medical staff will work together much more closely. There will be greater consultation among board staff with the goal of providing a more personalized service and improved response time in claims adjudication and inquiry. The result, we believe, will be improved access by injured workers and employers to board services.

To achieve these service improvements, 10 integrated units, located within our head office, will be created based on geographic boundaries. While they may, to a limited extent, share certain support services and specialized services, these integrated units will provide service to our client groups similar to that which exists in a regional office. This is in addition to regional and other initiatives I shall discuss shortly.

As a second step in our corporate reorganization, the board of directors has approved the structure of a second division, headed by another vice-president, which will deal with policy and specialized services. This group will provide the board with mechanisms for a co-ordinated approach to the development of medical, claims and vocational rehabilitation policy and create the basis for a closer working relationship between the board's vocational rehabilitation and medical services and the occupational health and safety education authority.

The policy and specialized services division will further ensure that operational policies guiding the board's major services are integrated, updated, simplified and consistent. We believe it is essential to ensure regular review of existing policies and to articulate new policies in a clear way. This new division will consult with the board's clients on matters of policy development and review. This will be facilitated by the implementation of a comprehensive publishing program, including simplification of policy manuals and the creation of policy newsletters.

Specialized medical and specialized vocational rehabilitation services will also report to this vice-president. One of the key elements in the creation of these service units is to ensure the cohesion and professional development of medi-

cal and vocational rehabilitation staff who provide services beyond the direct responsibility of our client services area.

Also under the purview of policy and specialized services is the Downsview Rehabilitation Centre, about which much has been discussed over the past few months. As you are no doubt aware, the Minister of Labour has appointed a review team chaired by Vickery Stoughton to make recommendations on the future role and mission of the Downsview centre.

For our own part, we conducted an investigation into allegations of patient misconduct and treatment at the centre. We then asked the Metropolitan Toronto Police to investigate alleged criminal activities by patients. At the same time, on behalf of the centre's medical staff, I asked the College of Physicians and Surgeons of Ontario to carry out any review it could within its mandate. As well, the psychology staff at the centre invited their professional regulatory body, the Ontario Board of Examiners in Psychology, to review the centre's psychology programs.

Both these bodies have said they would be prepared to carry out investigations if there are concerns with respect to the care and treatment provided by specific medical or psychology staff. The registrar of the College of Physicians and Surgeons has asked the Ontario Task Force on the Vocational Rehabilitation Services of the Workers' Compensation Board to provide the names and addresses of persons who have appeared before the task force and who expressed concern with respect to medical care at Downsview.

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I am advised that the college planned to inform these people directly how they might lodge a formal complaint. I have written as well to the Ontario Board of Examiners in Psychology respectfully inviting it to contact the task force with a view to identifying people who may have specific complaints with respect to psychology programs.

I would like to point out that the board is in the midst of discussions with providers of medical rehabilitation services in 15 communities across the province about the possibility of providing local medical rehabilitation services to workers.

Finally, the board's new organizational structure provides for a corporate services group, led by a third vice-president, which will support activities both in the field and at head office.

The board has retained a management consulting firm to examine the efficiency and effectiveness of the units in this corporate services



division. Program audits of the board's financial, internal audit, personnel, legal services, review services, management information systems and communication departments are being conducted to ensure that they are performing to the highest standards. We expect that full report in June of this year.

The three new vice-presidents, together with myself and our new vice-chairman, constitute the senior decision-making body at the board.

As you might well imagine, a reorganization of this magnitude depends on the active participation of board staff. Indeed, more than 400 people at the board were directly involved in two task forces over a six-month period. I would like to take this opportunity to commend the tremendous commitment and energy they put forward in order to facilitate the reorganization.

The reorganization has also brought forward a number of new and some not so new faces in senior management roles. I believe we are privileged to have Alan Wolfson as our new vice-chairman and president. Some of you may know Mr. Wolfson from his years as assistant deputy minister of Labour responsible for labour policy and programs. Prior to entering the public serviced Mr. Wolfson was on the faculty of the University of Toronto, having obtained his PhD in economics from Harvard University.

The vice-president of our client services group is Bob Reilly. Mr. Reilly has been assistant general manager of the board since 1983 and has held various senior management positions at the board over the past 30 years.

Sam Van Cleef is the acting vice-president of corporate services and has, over the past 25 years, held senior management posts in claims services, review services and, most recently, in the board's interim policy development unit.

The very appointment of these two executives represents, in practice, the integration of various areas of the board intended by reorganization. Mr. Reilly brings experience in the financial aspects of compensation to his new responsibilities for the board's chief operational area and Mr. Van Cleef brings extensive experience in direct client services to the administrative division of the board, including financial services.

We have also been most fortunate to have acquired the services of Dr. Elizabeth Kaegi as vice-president of the policy and specialized services division. Dr. Kaegi brings both public and private sector experience to her new position. She has a distinguished background in occupational medicine, has been interested and involved in occupational health and safety issues

and holds an MSc degree in epidemiology and biostatistics.

I am confident that our new corporate structure lays the foundation for maximizing our service to workers and employers in a cost-efficient manner. For any large organization, an intelligent restructuring is the constructive precedent to the organization being able to change direction to meet new objectives.

In tandem with the reorganization, the board has opened regional offices in Hamilton and Thunder Bay and, in May, will open an office in Ottawa with the goal of providing more effective and responsive service.

Since 1980, the board has had regional offices in London and Sudbury. In November, we opened a regional office in Hamilton. Shortly after that, we began to adjudicate claims from the districts of Thunder Bay, Kenora and Rainy River at a new regional office in Thunder Bay. Full regional services from this office will be in place shortly.

In May 1987, we will be opening a further regional office in Ottawa. This will bring to five the number of regional offices serving the board's clients throughout Ontario.

In tandem with regionalization, the board is taking further steps to reduce the average number of claims handled by claims adjudicators throughout the organization. Regionalization has aided in this effort by reducing claim case loads at the Toronto head office, bringing to more than 40 per cent the number of cases that will be handled outside Toronto. The smaller volume of claims handled by each claims adjudicator throughout the organization should translate into better service. Claims should be processed and paid more quickly. Claim files are more accessible to staff to answer questions, conduct inquiries and make decisions. Lower case loads should result in improvements in the quality of claims management, including follow-up of ongoing cases and earlier intervention by vocational rehabilitation staff.

While the board has been engaged in a reorganization to integrate its services, I am happy to say that our board of directors has approved a proposal put forward by the Occupational Health and Safety Education Authority to develop a comprehensive system for planning and evaluating occupational health and safety programs delivered by the nine safety associations and the Ontario Federation of Labour's Occupational Health and Safety Centre.

The Occupational Health and Safety Education Authority is in the process of clarifying



priorities, roles and responsibilities in health and safety program delivery, as well as evaluating all activities in this area—training courses, seminars, audio-visual and print materials. This process will allow the safety authority and the delivery agencies to carry their message even more effectively.

In addition, an advertising content review committee has been established to review advertising programs of health and safety education delivery agencies. The committee is chaired by Stewart Cooke of the Occupational Health and Safety Education Authority, and the members are Sean O'Flynn of the Ontario Federation of Labour and Jim Lear of Wimpey construction representing business. Gord Haugh from our own communications department is present on that committee as well.

I move now to the board's relationship with a number of external agencies.

**Mr. Chairman:** Excuse me. I apologize for the interruption, but apparently the planning and priorities session of cabinet has been cancelled.

**Mr. Pierce:** For lack of interest?

**Mr. Chairman:** I have invited the minister to come back in and join us for the balance of the morning. Apparently he still intends to go to Kingston. I bring that to your attention because it seems to me there still would not be time to do the minister's statement and the responses this morning and be finished by noon.

**Mr. McClellan:** We can do it on Friday.

**Mr. Chairman:** Excuse me for the interruption.

**Dr. Elgie:** It is my pleasure.

As you know, Bill 101 established four independent agencies: the Workers' Compensation Appeals Tribunal that provides the final level of appeal under the Workers' Compensation Act; the Industrial Disease Standards Panel that investigates possible industrial diseases, makes findings as to causation or connection with industrial processes, and reviews and develops criteria for the evaluation and adjudication of workers' compensation claims; and, finally, the offices of the worker and employer advisers, which assist workers and employers in WCB matters.

Let me turn first to the Workers' Compensation Appeals Tribunal. Following its establishment, the board set in place an appeal tribunal review committee headed by Doug Cain. This function has since moved to our new strategic planning and analysis department and now is the responsibility of Cindy Morton, who was recent-

ly named general counsel and is responsible for co-ordinating and formalizing board activities with respect to WCAT decisions.

This committee performs two functions. First, it looks at all WCAT decisions to determine whether the tribunal's interpretation of the policy and general law of the act should be reviewed by the WCB's board of directors.

The committee bases its recommendations to the board on the following criteria. Is the decision based on an interpretation of policy and general law? Is this a case of serious importance to the policies of the board and the entire compensation system? Finally, is there a good purpose to be served by reviewing a decision? For example, has there been uncertainty in the client community as to the appropriate interpretation and application of the act and board policies as a result of differing interpretations?

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Second, it reviews all WCAT decisions to assess their impact on board policies and practices, identifies new principles to determine their potential impact on the board's operational policies and works jointly with the policy and specialized services division to incorporate the new principles into the system, where appropriate.

Finally, as I mentioned, the committee considers and makes recommendations to the board of directors with respect to reviews under section 86n of the Workers' Compensation Act.

In addition, the board routinely responds to requests from WCAT for information regarding various policies and procedures. In several cases, the board has appeared before the tribunal to answer questions on these policies and procedures.

I now would like to turn to the Industrial Disease Standards Panel. In the past, the board on its own or with outside advice has developed criteria and guidelines for compensating workers suffering from industrial diseases. While this practice will continue, in addition the board now is able to draw on the Industrial Disease Standards Panel for advice. Of course, the panel is free on its own initiative to advise the board on any matter that it deems appropriate.

The board has already referred several important matters to the panel: the question of the effect on workers of industrial exposure to uranium and the appropriateness of existing guidelines in this area; the role of polychlorinated biphenyls as a human carcinogen; advice regarding guidelines to adjudicate cancer claims in gold miners and

mixed ore miners; and the so-called "healthy worker effect."

I would like to emphasize, however, that the board itself, through its policy and specialized services division, is committed to a regular review of existing industrial disease criteria and this process is ongoing.

The creation of the offices of worker and employer advisers was welcomed by the board. It is in the board's best interest to have well-informed and well-counselled clients. I note that the offices of the worker and employer advisers are proceeding to regionalize their services across the province, closer to their clients. I am pleased to say that the board has invited the office of the worker adviser to be present on a periodic basis at the Downsview rehabilitation centre.

I now turn to a discussion of the financial status of the compensation system.

You may remember that three years ago the board disclosed the extent of its unfunded liability under the new provisions of an indexed act and outlined its efforts and plans to reduce this deficit in an orderly manner. The 1985 annual report shows that by year-end the unfunded liability has risen to \$5.3 billion.

I would like to explain that a comparison of the unfunded liability as reported in our 1984 financial statements, that is \$2.7 billion, and the 1985 financial statements could be misleading. Until this year, we were unable to include in our financial statements our estimates for the effect of full provision for cost-of-living adjustments. In my comments to this committee last year, I pointed out that the potential unfunded liability for 1984, taking full account of these adjustments, was in reality \$5.4 billion. As result of Bill 81, which was passed in December 1985 and which fully indexed permanent disability benefits, we now are in a position to report the full impact of the unfunded liability.

There is no doubt that the size of the liability poses a serious problem, one to which we have been addressing ourselves since 1984. Following extensive consultation with employer groups, an external actuarial firm and with the concurrence of the superintendent of insurance, in 1984 we implemented a three-year strategy to contain and gradually reduce this liability over a 30-year period. In order to attain this objective, rate increases were to be applied in each of three years with a maximum increase of 15 per cent in any one year. We believe this long-term assessment rate strategy provides a basis for effective remedial action with respect to the unfunded liability.

The 1987 assessment rates have been set at an average 8.7 per cent increase. It has been unnecessary this year to increase the assessment rate of any single group by the maximum because of slightly increased revenues accruing to the board as a result of accelerated collections.

The 1987 rates represent the final stage of this three-year strategy. We expect that this will bring to an end the period of high growth in assessment rates, barring any substantial and unforeseen changes in the cost structure. The board has scheduled approximately 50 meetings with employers during May and June to solicit their input into the development of an appropriate assessment strategy for the 1988 period and beyond.

In tandem with this assessment rate strategy, the board of directors has approved a strategy for the expansion of experience rating to other rate groups. Experience rating is a method applied to employer assessments whereby an individual employer's safety record is taken into account and reflected in surcharges or refunds on the employer's premiums. The board is looking at experience rating not just as a method of creating equity between employers with respect to accident costs; more important, experience rating is a tool in accident prevention and in encouraging early rehabilitation of injured workers.

The board is fully aware that there are differing opinions on the effect of experience rating on accident prevention, but it believes that this experimental expansion of the program will provide the evidence needed to assess its impact fully and to make adjustments if necessary.

Commencing January 1, 1988, the new rate groups will be admitted to the plan for three-year experimental periods. Prior to the expiry of the three-year period, plans will be subject to a comprehensive evaluation; that is, an in-depth analysis of health and safety impacts and other byproducts of experience rating. This process will enable the board to decide in each case whether particular plans will continue beyond the experimental periods, and if so on what terms.

We would be remiss, of course, if we did not see to the fiscal responsibility of our own operations. The board has, therefore, exercised substantial restraint in the development of its own 1987 administrative budget. The budget approved by the board of directors at its December 1986 meeting represents administrative costs that are frozen, in real terms, for the 1987 fiscal year.

In addition to steps taken to improve the financial health of the compensation system, improvements were made at the board over the



past year and a half in the number of injured workers who have found employment at the board, in the management opportunities that are available to women working for the board and in the quality of working life for all board staff.

During 1986, members may be interested to know, we developed an injured worker employment initiative in conjunction with the opening of the regional offices. In Thunder Bay, more than six per cent of new jobs were filled by rehabilitated injured workers; in Hamilton, I am pleased to report that almost 10 per cent of all new jobs were filled by rehabilitated injured workers.

In its commitment to hire and promote greater numbers of qualified women into management positions, in the last quarter of 1986 three of the most senior positions within the board's claims services group have been assigned to women. By year end, 42 women held senior management positions, bringing to 45.7 per cent the number of management and senior administrative staff who are women.

It may have come to your attention already that in the interests of improving the quality of life in board offices, we have implemented a no-smoking policy at all our facilities. In 1985 in Ottawa, and in 1986 in Sault Ste. Marie, WCB staff decided to ban smoking in the work place. I should point out that our decision to achieve a smoke-free work place on January 1, 1987, was the result of a survey done last spring showing that 75 per cent of WCB employees favoured a smoke-free working environment. Somewhat surprisingly, half the smokers surveyed were in favour of banning smoking at work as well.

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I hope that my remarks thus far have given you an idea of the major initiatives undertaken by the board since I last spoke before this committee. However, I should comment on some disturbing trends that will have a substantial impact on workers' compensation and towards which we will be concentrating our attention in the coming months.

Accident rates have displayed considerable volatility in the past decade. Between 1979 and 1983, claims filed with the board declined by more than 25 per cent. However, from 1983 to 1986, claims filed rose again by more than 28 per cent to 442,000. While changes in employment levels partly explain these variations in accident rates, there are clearly other factors at work that we do not fully understand yet.

There has also been a consistent upward trend of lost-time claims as a proportion of all

accidents over the past six years. Allowed lost-time claims represented 40.2 per cent of all allowed claims in 1980. By 1985, this figure had climbed to 47.6 per cent and in the first 10 months of 1986 the corresponding rate was running in excess of 48 per cent.

The average duration on benefits for temporary disabilities rose from 23.4 days in 1980 to a high of 38.1 days in 1984. This figure fell to 34.9 days in 1985, only to rise again to 36.2 days in the first nine months of 1986.

Despite these recent fluctuations, average duration remains substantially above the levels of six years ago and shows no sign of returning to prerecession experience.

With respect to permanent disability pensions, in 1980 the board awarded 6,253 new permanent life pensions and this number has risen year by year, reaching 10,938 in 1986. Indeed, a variety of factors have been identified as contributing significantly to the escalation in the cost of workers' compensation in recent years. Much more research and analysis will be needed to better understand what may be behind the changes. To this end, the board's newly created strategic planning and analysis department has commissioned a management consulting firm to conduct a comprehensive study of these emerging trends.

In conclusion, I believe that to date we have identified some but not all of the problems confronting Ontario's system of workers' compensation. I believe as well that in the past year we have shown our commitment to analysing these problems thoroughly and to developing appropriate solutions as expeditiously as possible. Our goal is to create an even more responsive, client-oriented compensation system.

**The Acting Chairman (Mr. Hennessy):** Thank you, Dr. Elgie. The minister has returned and has advised me that he will be available until 12:30 p.m. What does the committee wish? Does the committee wish to hear the minister now?

**Mr. McClellan:** I thought we had decided we would hear the minister on Friday.

**The Acting Chairman:** I was not chairman when you decided that.

**Mr. McClellan:** The committee is still the committee. I do not have any concerns if the minister wants to read his statement now. I have a couple of questions I would like to ask Dr. Elgie before we start with the minister. They will not take very long.

**The Acting Chairman:** I would like to get a consensus of the committee.



**Mr. McClellan:** I ask my colleagues whether we can have a brief question period for the chairman.

**Mr. Haggerty:** I have some questions as well.

**The Acting Chairman:** Do you want to ask your questions first and then we will get to the minister?

**Mr. Haggerty:** They parallel pretty well together. Why not let the minister continue with his comments and then we can go back to him?

**The Acting Chairman:** It is one-all. Next?

**Mr. Gillies:** Mr. Chairman, I am looking for some direction from you. The minister's meeting was cancelled and he is back. That is wonderful. Do we ask Dr. Elgie some questions now? Then if the minister starts his opening statement in 15 or 20 minutes, will the critics respond to it then or will they respond on Friday? Will we question the minister today? Will we do it on Friday? What the heck are we doing?

**Mr. McClellan:** I thought we agreed we were going to do the leadoffs on Friday. I do not know why this subject has come around again.

**Hon. Mr. Wrye:** I guess it is because I am back.

**Mr. McClellan:** The committee has made some decisions. Why do we not stick with our decisions?

**Mr. Haggerty:** The member for Brantford (Mr. Gillies) means he can get back to his constituency office on Friday if we get through.

**Mr. McClellan:** Why do we not stick with our decision and address ourselves to the chairman of the board and come back to the minister on Friday?

**The Acting Chairman:** Can I have the attention of the committee? How about going until 11 a.m. with Dr. Elgie, then on to the minister and come back on Friday with your questions?

**Mr. Gillies:** All right. It may be more expeditious if we could have the minister's opening statement this morning, then we can respond and question him regarding the same on Friday and then maybe we can be out of here by 1 p.m.

**Mr. McClellan:** Can we have half an hour with the chairman of the WCB?

**The Acting Chairman:** It is no problem for me. Is 11:10 satisfactory? I think Mr. Gillies is first.

**Mr. Gillies:** Dr. Elgie, there are an awful lot of issues I would like to ask you about, but there

is one specifically I would like to address now and which I have raised with you a few times the last couple of years. It is the question of chiropractic services at Downsview.

Perhaps you and your officials could tell me if I am under any misimpression. My understanding is that a commitment was given to the chiropractic association at its meeting on September 26 of last year by Dr. Mitchell, who at the time was executive director of the boards' medical services division, that the chiropractic services we have been calling for at Downsview would be in place and operating by the end of the year.

My further understanding is that commitment was not met, that rather there is apparently now another review being done and the matter is being studied. The chiropractors, who apparently were to participate in a study and visit McMaster to review some facilities and programs there, have not been contacted and the thing is in limbo.

For members of the committee, there are a couple of reasons this is really important. If you look at the annual report we are considering, you will find that in 1985, which was a very typical year, over 28 per cent of the WCB claims were back problems. Certainly, any of us who deals with these claims in our constituency offices know this is a very large percentage of the cases.

As I understand it, because back problems can be very expensive and lengthy, there are estimates that up to 75 per cent of benefit costs may be back-related, a much higher percentage than the percentage of claims.

I have obtained a copy of the study that was done in Quebec, tabled by Lucien Abenham and his colleagues in September 1985, which shows that about 7.4 per cent of the cases under the Quebec board account for about 75 per cent of the cost and that the vast majority of that percentage were chronic back cases, chronic inasmuch as the claim was in pay for a period of longer than six months.

There is evidence coming out of western Canada, from Saskatchewan, where I gather a lot more research in this area has been done than in Ontario, showing that many of these back cases can be treated and dealt with far more expeditiously and satisfactorily through chiropractic treatment than through medical treatment.

To complete the circle, if we have these back problems which are accounting for a tremendous proportion of the costs of the board, and we have medical evidence coming forward from Saskatchewan, from Professor Kilkaldy-Willis and others, showing that the cutting edge and the way

to handle these problems is through chiropractic treatment, why have we not moved in establishing the facility which is clearly needed out at Downsview?

**Dr. Elgie:** I would like to ask Dr. Kaegi to join us, but while she is coming to the table let me first review the issue of chiropractic treatment in Ontario. The board does have a schedule of benefits for the payment of chiropractic services in Ontario. That has never been an issue. I met with members of the chiropractic board some months ago and its fee schedule was adjusted.

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In a similar way, we have a part-time chiropractic person provided by the chiropractic association at headquarters at the board in order to review periodically the chiropractic services that are being provided. I think we should dispel any notion that chiropractic services are not available in the province and that the board does not pay for those services; it does.

What you are addressing your question specifically to is the provision of chiropractic services at the Downsview hospital, a hospital which you know has been under some amount of scrutiny in the past several months. Dr. Kaegi can go into detail about exactly what is going on there, but my recollection of things is that arrangements are being made to carry out, on a research pilot project basis, a review with respect to the effectiveness of chiropractic in the management of patients at Downsview, as compared and contrasted with other methods of managing patients who have similar problems.

Dr. Kaegi can go into the details of that. I believe a group at McMaster University has been developing the study protocol in order to be sure that whatever results flow out of that are deemed by peers to be valid and acceptable. Dr. Kaegi.

**Dr. Kaegi:** As Dr. Elgie has said, we are in the process of establishing a research proposal to introduce chiropractic services at Downsview. We are currently working with a Dr. Peter Tugwell and a Dr. Claire Bombardier from McMaster University. They are, in turn, preparing for us a proposal to introduce and evaluate chiropractic services at Downsview.

You are absolutely correct in that we have been working closely with the Ontario Chiropractic Association in terms of introducing this initiative. We made a commitment to introduce this service on a pilot basis with them. We have continued by having periodical meetings with them, and they are fully apprised of our progress here.

The McMaster University staff is to present us with a proposal by the end of April, at which time the board will make a decision as to whether it can fund the research project. We will then establish an advisory committee to the research team, which will have representation from the Ontario Chiropractic Association as well as the physiotherapy association and our own staff at Downsview, in terms of introducing the project.

**Mr. Gillies:** Dr. Kaegi, I think the upset about this matter arises out of Dr. Mitchell's commitment. I am still wondering if somebody can confirm the information I have, that Dr. Mitchell appeared at the Ontario Chiropractic Association convention, September 26, 1986, and announced that no further study was necessary, the initiative was being proceeded with—to wild applause—and it would be in place by the end of 1986. He then had a jolly good round of handshaking afterwards. Only later do we find out that the study has been initiated at McMaster.

**Mr. Haggerty:** It sounds like a politician shaking hands. It is enough to shake your confidence.

**Mr. Gillies:** We all know what happens when you mix medicine and politics. I do not want to get into that.

I am, of course, aware of the McMaster study and the work that is being done. I have to advise you and the chairman that the chiropractic association is not entirely happy. The consultation is ongoing, but with the original commitment having been made to establish this service as of year-end 1986, I am advised that the chiropractor representative on the study has yet actually to be invited to go down to McMaster and meet with the people doing the study. The association is rather upset.

Can I get an answer? Was the commitment made by the board? If so, why was it not kept? Why was further research not thought to be necessary by Dr. Mitchell in September, but subsequently was thought to be necessary, which led to the striking of the McMaster study?

**Dr. Kaegi:** Dr. Mitchell did attend the OCA meeting on September 26 and did announce that it was the intention of the board to introduce a chiropractic service at Downsview and, furthermore, that we were hoping we would be able to get established by the end of year.

As you are also very well aware, in the period between September 1986 and December 1986, the Downsview rehabilitation centre was subject to considerable media attention and there was the implementation of a number of other review teams. Accordingly, at Downsview we have put



a hold on new initiatives. The chiropractic initiative was one of those. It did not get the same accelerated progress through the system, with the development of a proposal. It was always the intent that the chiropractic service would be introduced at DRC with an appropriate research methodology and an evaluation process. That was always the intent.

It has been slowed down as a result of our pause in waiting for the deliberations of the review team on the role of Downsview. The chiropractic association have been met on several occasions during that period. They were advised why there was the delay and why we felt it was necessary to have a research methodology, both in the introduction and the evaluation of a chiropractic service at Downsview.

We do seek their involvement with the research study as it goes forward, but at this point the advisory committee to the McMaster group has not been constituted; so nobody—the chiropractors, the physiotherapists and the physicians—that will be involved in the advisory committee to the research team has had a chance to meet with the McMaster team. The chiropractors have not been excluded from that process.

**Mr. Gillies:** I am not medically able to comment on the necessity of the research, but I would ask you whether you are aware of the research that is being done at University Hospital in Saskatoon by Professor Kilkaldy-Willis, who, I further understand, is one of the leading orthopaedic surgeons in our country. I understand his research has yielded information showing that for people with chronic back problems, going on in some instances for several years, after three weeks of appropriate chiropractic treatment some 90 per cent of such cases can be substantially corrected.

The implications for WCB in terms of treatment and cost savings are enormous. Would you comment on that research? Do you think it is credible?

**Dr. Kaegi:** I would be pleased to comment on that research. Personally, we are aware of the work of Dr. Kilkaldy-Willis and we did invite him to make presentations to our own team at Downsview and to provide advice to us with respect to the best way to introduce and evaluate such a program.

As Dr. Elgie has said, injured workers in the board do have access to chiropractic services external to Downsview. To the extent that this is helpful in helping us deal with, and helping them deal with, their back problems, that is a service which is available. The question really before us

is: in the assessment and treatment program that is available at Downsview, is that a place for chiropractic as well? We have said yes, on a research basis, to see whether it works in an environment where patients really only receive treatment over a two-week period; the average length of stay is only 19 days.

We were looking at that and we are aware of Kilkaldy-Willis's study. I think he does show that in some types of patients chiropractic care in his hands and in the hands of his team does appear to have a benefit.

There are many other studies on back care. I suggest another approach has also had benefit. I think that our obligation as a board is to identify those services, both chiropractic and nonchiropractic, that are the most efficient and effective in providing care to our injured workers. That is exactly what we are trying to do.

**Mr. Gillies:** Thank you, doctor. I am conscious of the time, so perhaps I will ask just one other question, which I am sure we will talk about in depth during the week, but I want to put it forward to Dr. Elgie.

You speak in your opening statement about the unfunded liability and of the shared concern and wish of both the government and the board to reduce that, a concern expressed in 1984. In the interim, we have seen the unfunded liability increase by something over \$2 billion.

I think the concern of members of the committee would be obvious. Can you give us some advice as to what your research shows is going to be the trend with that unfunded liability, when it is going to start being whittled down and, as chairman, do you see the level of the unfunded liability as a major problem in terms of the future viability of the operation?

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**Dr. Elgie:** Again, this is the sort of issue you can take a long time to review, but let us say the legislation that was passed by the government back in 1914 underwent lengthy discussions on whether it should be an act that was funded or be a pay-as-you-go system. The decision was made that it would be an act which was funded, but the wording of it was rather strange in that it said it shall be funded in such a way that it does not impose an undue or an unfair burden on succeeding generations. In other words, instead of simply saying it shall be fully funded, it talked about undue or unfair with respect to future generations. There has always been an argument as to what full funding meant in terms of that particular legislative direction.



In any event, to suggest that our unfunded liability rose from over \$2 billion to over \$5 billion is, as I tried to point out in my statement, not quite accurate. If you looked in 1984 at an indexed act, the unfunded liability then would have been \$4.6 billion, not \$2.7 billion. With an indexed act in 1985, I believe it was \$5.4 billion. The change you are talking about was moving from an unindexed unfunded liability to a fully indexed unfunded liability. That is the big change you are talking about.

As you have said, in 1984, after consultation with employers, an external actuary and the superintendent of insurance, a three-year strategy was put in place. It was hoped that at the end of that three-year period we would then have provisions in place to fund that unfunded liability over a 30-year period. We are now in the third year of that strategy. By and large, things look to be reasonably on target, although, as I said in my statement, we are seeing some disturbing trends in the system—an increase in the number of lost-time accidents and a continuation of a lengthened persistency rate or claims duration. We are seeing some cost factors which may have influence in the future on the costs to the board, which will undoubtedly have an impact on the unfunded liability.

We will be meeting with employers in May and June of this year to talk about where we go from here with our strategy, assuming now that most of the rate groups will be in a reasonably good position with respect to funding that amount over the proposed amortization period of 30 years. That does not mean that each year there still will not be problems as seen by our clients, because we will not see a precipitate drop in the level of the unfunded liability until about the year 2000.

Maybe John Neal can come up and explain why that is, but I think it is important for the members of this committee to understand that for years ahead there will still be complaints about the level. As a proportion of the whole it will be dropping, but the dollar amount will not drop until about the year 2000. Is that right, John?

**Mr. Neal:** That is correct.

**Mr. Chairman:** Is there anybody here who is an actuary?

**Mr. Gillies:** I agree with you that the original intent was to fund but not to put an undue burden on the future viability of the board. As legislators, we all have to be concerned because of the growth. If you look at the last decade, my understanding is that in 1977 the unfunded liability was something in the order of \$350

million. In a decade we have seen over a 10-fold increase, which has to set off an alarm with any of us as to that trend and whether the money is going to be there down the road to fund this enormous system that is now in place. I would be pleased to hear your comments.

**Mr. Neal:** If you assume that the act was indexed in effect in 1974, when the Legislature first provided all injured workers with a cost-of-living type of increase, the board's unfunded liability in 1975 was in the order of 70 per cent of its total liabilities. We got to the point where we were about 50 per cent funded by the end of 1979, slipped back to 31 per cent at the end of 1985 and are now moving up towards a target of 100 per cent funding by the year 2014.

If you look at the finances on a consistent basis, as opposed to a published basis, the thing does not look as bad. Clearly, there have been significant things in that interim period. The average assessment rate is much higher today than it was then, etc.

Where is the unfunded liability going? In absolute dollars it will top out at around \$10 billion to \$11 billion in 2003. If trends stop, if the rate by which workers are injured in the work place does not deteriorate as it has in the past two or three years, if the proportion of workers receiving a pension per 1,000 originally being injured does not increase, in fact falls back slightly to the previous three-year averages, etc., that is what is going to happen. WCAT is a great big question mark, but if everything emerged as it was in the three years ending 1985, as long as the rates are phased in to just over \$3 the unfunded will top out at about \$10 billion.

We had to ask the question: should employers, on average, pay 50 cents per \$100 of payroll for the next 30 years; or should they start paying 92 cents per \$100 of payroll and phase it down? You can attack the unfunded two ways. You can ask the employer community to pay so many millions of dollars each year or you can ask it to pay a level percentage of payroll. You can come at it either way. When you and I pay off our mortgage, we have to pay a certain fixed amount every year, even though inflation is going to make those payments easier in 10 years' time than they are today.

The alternative approach is to ask everybody to pay 0.5 per cent of payroll in each of the next 30 years. When you go that route, you do not even pay off all the interest to start with and you get this curve which takes \$5 billion to \$10 billion in the first 20 of the 30 years and then it drops rapidly from 10 to zero in the last 10.

The feeling was that the employer community should be asked to pay 50 cents rather than 92 cents in 1987. In essence, that is the issue and the resolution the board of directors chose to take.

**Mr. Gillies:** In view of the time, I will return to this during the week. I wonder if the board could prepare some figures, or if they have them available bring them forward. I would like to know the administrative costs of running the board as a percentage of the total budget for each of the past 10 years, if that is available.

**Mr. Chairman:** Are you asking for a percentage of the total revenues of the board?

**Mr. Gillies:** Payout. I think it would be helpful for us to be able to compare the percentage of the total budget paid out in benefit as opposed to administrative and see whether there is a trend there.

On a more philosophical note, and I will not ask you to answer it now, I wonder if the chairman could put some thought into responding to the question of how much of these additional costs should fall on to people funding the system by way of increased assessment and how much of it can be achieved through administrative efficiencies, and so on.

**Mr. McClellan:** I assume the chairman will be back this afternoon, and we will have an opportunity to continue some discussion in depth. I have one question to raise this morning, because of the level of concern I have about it. Do I gather Dr. Robert Mitchell is still the executive director of the medical services branch of the board?

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**Dr. Elgie:** Dr. Mitchell is here. Dr. Kaegi, will you come up again to discuss the various organizational changes and Dr. Mitchell's role?

**Mr. McClellan:** I just need to know what his title is and whether it is a full-time position.

**Dr. Kaegi:** Dr. Robert Mitchell is acting executive director of the new group called specialized medical services within policy and specialized services. He is a full-time employee of the board.

**Mr. McClellan:** I noticed on the financial page of the *Globe and Mail*, dated February 26, 1987, under a picture of Dr. Mitchell, the following:

"W. Galen Weston, chairman and president of George Weston Ltd., takes pleasure in announcing the appointment of Dr. Robert I. Mitchell as director of the company. Dr. Mitchell, formerly a surgeon at the Wellesley Hospital and an associate professor at the University of Toronto,

now serves on the board of directors of the Wellesley Hospital and of the Eye Research Institute of Ontario."

Was the chairman aware that his executive director had assumed a position as director of a company, which I assume is not exempt from the Workers' Compensation Act, and that the employees of that company do suffer industrial accidents and bring their claims before this same gentleman for medical decision-making?

**Dr. Elgie:** I understand Dr. Mitchell discussed this appointment with Dr. Kaegi who, as vice-president in charge of that division, was satisfied that Dr. Mitchell would absent himself from any meetings if there was a conflict-of-interest situation. I just recently learned that myself. It was a decision Dr. Kaegi made at the time. I would be interested in any comments she might have and you might have on the subject.

**Mr. McClellan:** I will be quite blunt. I regard this as an outrageous conflict of interest. I do not know how else you can interpret it when, as I understand it, one of the senior medical management officials of the WCB is at the same time a director of a company the management of which will have a vested interest in the litigation against injured workers who happen to be employees of the George Weston empire. We are talking about thousands of employees. Again, I ask the chairman very bluntly, do you not regard this as a conflict of interest?

**Dr. Elgie:** We are at present in the process of reviewing the conflict-of-interest guidelines that were in place before I arrived. Flowing out of that, we have advised members of staff in each division of the board that we are in the process of reviewing our conflict-of-interest guidelines, which may have an impact on a variety of persons' activities. Dr. Mitchell's appointment might be one on which that has an impact. I am quite prepared to review the issue specifically, since you have raised it; but the matter, in general, is an issue we are looking at as well.

**Mr. McClellan:** Surely it is as plain as the nose on your face or on my face. What could be more clearly a conflict of interest than that the executive director be a director of a private company and be asked to wear two hats simultaneously?

That leaves aside entirely the question of whether your executive directors are full-time employees or part-time employees. Dr. Mitchell, in addition to being director of George Weston Ltd., is an associate professor at the University of Toronto, which I assume involves some employment responsibilities. Most associate professors



do some work; at least they used to when I was at university.

Seriously, this gentleman obviously has major responsibilities in addition to his full-time responsibilities at the Workers' Compensation Board. It seems to me there is one problem for you right there, and the other problem is overwhelming.

**Dr. Elgie:** I would not be the least bit troubled if any members of our staff had teaching obligations. I think it is a benefit to our institution if they have teaching obligations in the universities.

Setting that aside, as you know, the act lays out specific conflict-of-interest situations with respect to the chairman and the vice-chairman. The board had in place conflict-of-interest guidelines with respect to our employees in general. I have instigated a review of those conflict-of-interest guidelines, and as part of that, we will review the situation with respect to Dr. Mitchell's appointment to the board of directors of George Weston.

**Mr. McClellan:** I will just make one more comment. Again, I think that this is an outrageous conflict of interest and that you should instruct Dr. Mitchell to make a career choice between the one or the other. I can tell you we will be raising this matter in the House at the earliest opportunity. I assume you will have completed your review at that point.

**Dr. Elgie:** Yes.

**Mr. McClellan:** I would like to ask the minister, as a final question, first, whether he was aware and, second, whether he is satisfied that an executive director of the WCB medical—I am unclear. His title was executive director of what, Dr. Kaegi?

**Dr. Kaegi:** Medical services was the old title.

**Mr. McClellan:** Yes.

**Dr. Kaegi:** But under the new structure he is acting executive director of specialized medical services. Pending the final implementation of the group, positions are identified as acting positions.

**Mr. McClellan:** He has responsibility for the medical staff and for supervising and managing the branch of the WCB that renders decisive medical opinions which are the basis for adjudicating claims. Is that correct?

**Dr. Kaegi:** Under the new structure, the medical staff reports both to client services and through his group, but he does have responsibility for some of the physicians.

**Mr. McClellan:** Yes. He has direct responsibility for providing medical opinions which are used as the basis for determination of claims decisions. At the same time, he is the director of a private company with many thousands of employees who would be bringing their claims to the WCB, which is just preposterous. It is an absolutely preposterous situation. It needs to be remedied and it needs to be remedied immediately. I point that out as strongly and as insistently as I can to both the minister and the chairman.

**Dr. Elgie:** I have your message very clearly.

**Mr. Chairman:** Are there any other questions before we move? I gather in my absence the committee agreed to move to Mr. Wrye's statement. One more question, Mr. Haggerty.

**Mr. Haggerty:** Just for clarification, in the workers' compensation system, stress is not directly recognized under the statute as a ground for compensation, but I understand that is being reviewed internally. Is there anything to report on that?

**Dr. Elgie:** Not at the present time. The issues of the impact of stress on people's health have been dealt with on a case-by-case basis in the past, but the policy unit that has been developed at the board now has that as one of the issues it is looking at, the development of a broader policy of the board with respect to stress.

**Mr. Haggerty:** They are looking at psychogenic illnesses and anxiety in cases where persons have been—

**Dr. Elgie:** Stress has a number of manifestations.

**Mr. Haggerty:** Stress that follows an injury.

**Dr. Elgie:** Yes. There are various types of stress that are being dealt with in the compensation board and in the courts throughout the country. Our policy group is looking at the issue of stress broadly in order to endeavour to develop a policy that is appropriate.

**Mr. Mackenzie:** I have two questions. The first and most important one is on page 33 of your statement, Dr. Elgie. You mention in the second paragraph, "Indeed, a variety of factors have been identified as contributing significantly to the escalation in the cost of the workers' compensation system in recent years." That is going over a number of the increases we have seen. I wonder whether you could identify for us briefly some of the factors you talk about specifically.



**Dr. Elgie:** First of all, as I also mention in the statement, an external consulting firm has been retained to review factors that have influenced the cost structure in the board. We expect to receive a report from that company by June, I believe.

As I mention in here, without passing comment or criticism on the fact that they have occurred, the kinds of things I have mentioned—and Professor Weiler referred to this in his most recent report—include a dramatic increase in the number of permanent disability awards made from 1980 to 1986. It is nearly a doubling, and I do not say that critically; I am just reporting it as a fact. At the same time, in the most recent Weiler study, you will see in constant 1985 dollars that the cost of those pensions has about doubled as well. That may have different meanings, depending upon what deeper analysis will show.

Similarly, in the area of duration on claims for temporary benefits, we have seen an increase in duration on temporary benefits from 27 days in 1980 up to a high in 1984, I believe it was, of 38 days. Then it dropped to 34 in 1985 and it has risen again to about 36 in 1986. So we are seeing a gradual increase in the duration on claims. We are also seeing an increase in the proportion of claims that are lost-time claims. That is the sort of change we are observing in the system. We are having the cost implications of that evaluated simply because it is occurring.

**Mr. Mackenzie:** Does your investigation into the factors that are leading to these increased claims cover questions such as what is leading to this increase in the disability awards, the cost of the pensions and the duration of the claims? Do we know if some of it is because of older workers in the industrial sector? Is it because of a catch-up situation? Is it because of inadequate work done too quickly and now it is catching up to us, as we identify some of the toxic contamination we have suffered in the plants? Are these the reasons? I am looking for something beyond the increase in the awards and the time.

**Dr. Elgie:** I will have to ask Mr. Wolfson exactly what the terms of reference of that consultant group are, but in a general way—I do not want you to misunderstand me—if we go back to 1978 or so, the total number of accident claims filed with the board was probably in the neighbourhood of 440,000 at that time. There then were changes over the intervening years related to the recession.

As I said, there was about a 25 per cent or 26 per cent drop in the number of claims, and then, coming out of the recession, there was a rise

again. Overall, the number of claims may not have changed from 1978 to 1986, but what is changing is the proportion of those claims that are lost-time claims. What is changing as well is the duration on claims.

I know there have been some studies in the United States that suggest that the changing nature of the accidents may be related to younger workers less conscious of safety or being employed in situations where there is less concern about safety. One would have to debate that, but that was what the general conclusions of those studies were. There has also been some suggestion in terms of duration on claims that it does relate, at least in the US studies, to older workers being off work longer because of the impact of an injury.

I do not know. Mr. Wolfson, is the consulting group looking at that sort of information?

**Mr. Wolfson:** I should point out that although it is a very intensive study, it is very short in duration, only three or four months. It will not be the last word on the determinants of the behaviour of the workers' compensation system as a whole. I do not think it is probable that the study will be able to adequately address one of the points Mr. Mackenzie raised, namely, whether we are working off a backlog.

Nevertheless, we will get information on the extent to which various of the other factors may be influencing cost trends. We will at least have disaggregation of the data by age of the claimant, by sex, by occupation, by industry and, to a large degree, by the nature of the claim, whether it is industrial disease or an accident claim. So those kinds of breakdowns of the data, I think, really will give us much better insight into the kinds of issues that Mr. Mackenzie was raising.

**Mr. Mackenzie:** I will just serve notice on the other question, Mr. Chairman, because of the time. It follows on the questions Mr. Gillies was asking about the chiropractic requests. I know all caucuses have received the seven points or questions that were asked and have had them discussed with them. The first five or six are really stating the cost of back problems and the success ratio claimed in the Kilkaldy-Willis study at Saskatoon, and so on. Are these questions and the statements they make accepted by the board? If they are, then I would like a little more definitive answer than we have had as to why nothing has been done as yet. I am sure the minister has, but we certainly can show them the specific questions that were asked of us by the chiropractors.

**Dr. Elgie:** I have not seen them. Again, let me emphasize that there is a schedule of payment for chiropractors. There is provision of service throughout the province. What we are talking about is service within the Downsview Rehabilitation Centre, a hospital which is presently undergoing a study with respect to its future role and mission.

**Mr. Mackenzie:** I guess the reason I want to say it as simply as I can is that if you accept some of the arguments they have made in the earlier questions as they were asked here, you have to ask why we have not implemented it by now.

**Mr. Chairman:** Is it the wish of the committee that we move to hear from the Minister of Labour? If there is any time after his remarks, we can have an exchange with him and we will adjourn at 12 o'clock.

All right, Minister. Welcome back.

**Mr. Hennessy:** Mr. Chairman, the minister said he could stay till 12:30. I am sorry I did not relay that to you.

**Mr. Pierce:** And buy lunch.

**Mr. Hennessy:** It is up to you. You are the boss.

**Mr. Gillies:** It is just however long his statement takes.

**Mr. Hennessy:** Yes, however long his statement takes.

**Mr. Gillies:** I think the decision was that the critics would reply on Friday.

**Mr. Chairman:** Exactly.

**Mr. Gillies:** So it is up to the minister. I am a little puzzled, though, because on the front page of your speech it says 9 a.m.

**Hon. Mr. Wrye:** Well, it is. It is just after 9 a.m. in Edmonton, Calgary and a number of other locations.

**Mr. Hennessy:** It is all right.

**Hon. Mr. Wrye:** As it says on the front page of the statement, Mr. Gillies, I am pleased to be back here today.

Having had the policies and priorities board of cabinet suddenly cancelled, the Premier needed to rearrange his schedule, so I certainly share with the committee some of those concerns.

**Mr. Chairman:** Let us try to adjourn at 12.

**Hon. Mr. Wrye:** I am pleased to be able to offer some observations on the system in the province as it is today.

It was October 1, 1985, when I last had an opportunity to appear in this forum with specific reference to a Workers' Compensation Board

annual report. In the 16 months since, the government has gone a significant way to meeting its reform commitments in the workers' compensation field.

We are implementing administrative change prescribed by the 1985 reforms to the Workers' Compensation Act. We have moved quickly to remedy some simple but tangible inequities in connection with pension increases generally and spousal pensions in particular. We are now overseeing a new round of reform in response to new needs and realities that have emerged.

As far as implementation of the 1985 reforms is concerned, the Industrial Disease Standards Panel, the Workers' Compensation Appeals Tribunal, the office of the worker adviser and the office of the employer adviser have taken fast and deep root in the community. As an aside, I understand that a number of those individuals from those offices will be appearing before this committee during its deliberations. I am sure those discussions will be fruitful.

A number of specific issues have been directed to the Industrial Disease Standards Panel for judgement. Current issues before the panel include eligibility of claims for lung cancer in uranium miners, compensable disease as a result of exposure to polychlorinated biphenyls, and compensation for gold miners who contracted lung cancer, and their survivors. This last issue is a priority for IDSP.

In the next month or so, the panel will present to the WCB its advice on the whole process of adjudicating industrial claims.

## 1120

The Workers' Compensation Appeals Tribunal, the final level of appeal to which workers and employers may bring disputes about WCB matters, is a year and a half old, but in that time, 3,280 cases have been brought to its office. To date, more than 900 hearings have been completed. It is important to note that, in addition, almost 500 of that original case load brought to the tribunal have been disposed of without a hearing.

The office of the worker adviser, which exists to assist workers in their dealings with the WCB, expects a case load of about 12,000 in the coming year. This represents a 20 per cent increase over the year that is now ending. Members may recall that the government provided the office with a mid-year increase in resources last June. It appears now that it may be necessary to open three more offices to add to the 10 that are already functioning.

I think, colleagues, that all of this speaks not only to the need for the office's services, but also



to the government's commitment to the concept, a commitment that I believe—and as a member of the committee when I was in opposition when this was discussed—far exceeds what was envisioned in the debates in the Legislature that led to the 1985 reforms.

The office of the employer adviser, which assists employers in their dealings with the WCB, is also operating ahead of its projected case load. It expected to carry about 2,900 cases in the fiscal year now ending. That figure has already been revised to 3,500 and is expected to reach 4,000 cases by the end of the current fiscal year.

Seventy-five per cent of employers that the office assists are small companies with fewer than 50 employees and, indeed, only 10 per cent of this service's clients employ more than 100 persons.

The construction sector and the manufacturing and processing industries each account for 30 per cent of the case load, with a broad spectrum of other industries accounting for the remaining 40 per cent.

Half of the demand on the 14 employer advisers comes from Toronto, 25 per cent from southwestern Ontario and 12 per cent from northern and eastern Ontario.

In addition to meeting the 1985 Workers' Compensation Act commitments in full spirit, the government has introduced, and the Legislature has passed, new legislation to end inequity in the workers' compensation system. We have linked WCB benefits to increases in the consumer price index and provided for automatic annual adjustment.

Members will recall that, in another era, benefit adjustments were ad hoc and pensioners felt compelled to come to this assembly and, indeed, did come to the assembly almost on an annual basis to petition for relief from increases in the cost of living.

In this era, however—and I think in the wisdom of the Legislature—these pensioners, as a matter of statutory right, are protected from these increases by the annual adjustment law. As a result, on January 1, just nine weeks ago, the very first statutory annual adjustment ever in Ontario, a raise of 4.4 per cent, took effect.

Statutory justice has also been done in respect of the dependent spouses of workers who have been killed on the job. I think members will recall that, because of one peculiarity in Bill 101, there was a 13 per cent difference in the summer of 1985 in the benefits treatment that one group of these spouses was getting compared to those

covered under the new legislation that had passed earlier in that year. I told this committee in the fall of 1985 that fairness required the gap to be eliminated as quickly as possible. The government and the Legislature were able to get that done by the turn of the year.

As I suggested a few minutes ago, in more recent months, new reform initiatives have been taken in response to new needs and new realities. The new board of directors of the WCB, its chairman—Dr. Robert Elgie—and his new management team have moved quickly and, I believe, effectively to begin providing better service to clients in a more cost-effective way. The main instruments in this have been a reorganization of the administrative structure of the WCB itself and a major regionalization of WCB service.

During the course of the last year, I have had occasion to join with Dr. Elgie at new WCB regional office openings in Hamilton and in Thunder Bay. Later this spring, I believe in May of this year, a regional office is scheduled to open in Ottawa.

All of this is providing the injured worker who needs help with greater direct personal contact with the WCB closer to home. This means greater convenience for the worker and a human face in the community for a WCB that often in the past has seemed remote and uncaring to some of its clients.

Important progress has been made and important challenges remain in other areas that concern better and fairer treatment for injured workers. As I told this committee when it was studying the WCB's 1984 annual report, the issue of greater equity for injured workers who suffer partial permanent disability is a central one. A report on this subject was distributed to members last December 15.

At that time I suggested that despite the extensive review of the subject in the last several years, the implications for reform in this area were such that a well-informed public discussion was required. The report, which was done by Professor Paul Weiler, is being made widely available and I believe that public discussion of its recommendations and thorough analysis of its cost implications is critical.

As that consultative process goes forward, Mr. Chairman, we will be receiving the report of the Ontario task force on the vocational rehabilitation services of the WCB. Effective vocational rehabilitation is essential in the community's total response to the injured worker. It is a prerequisite to a worker's reinstatement to work



and the tremendous psychological benefits that go along with that.

This committee will have a particular interest in the work of the task force because of its November 1985 report which made seven specific recommendations, including the appointment of an independent task force.

In addition to moving directly to have concerns about the WCB's vocational rehabilitation programs addressed, the government has established a special external review of the WCB's rehabilitation at Downsview. That was alluded to by Dr. Elgie a few minutes ago. The chairman of that review is the president of the Toronto Hospital, Vickery Stoughton. It is my expectation that his report, along with important recommendations, will be available in the near future.

To sum up, the government is dedicated to ensuring equity and effectiveness in the workers' compensation system in Ontario and is dedicated to sustaining the spirit of reform. Needless to say, the cost of workers' compensation and efforts to reduce those costs without risking fairness are a continuing interest of this government.

As I suggested earlier, the WCB is making major administrative moves to help ensure that it and its constituents get good value for money without risking fairness. If there are to be major decreases in the costs of the system, however, nothing less than a remarkable reduction in work place injury and illness will be required. It is in that whole area of occupational health and safety prevention and protection that the government and I, as Minister of Labour, are concentrating enormous effort and resources.

Effective occupational health and safety depends, in the first instance, on the commitment and knowhow of both management and labour in the work place. It also depends on the government's effectiveness in setting standards, auditing the system and enforcing the statute and its regulations. As far as knowhow is concerned, significant amounts of money that come to the WCB through employer assessments are used to fund the safety associations which exist to provide education and training in occupational health and safety.

As members know, I have been pressing for reform of the safety associations for some time now. Intensive review of the effectiveness of their programs is under way and a report to evaluate the activities of the safety associations and to provide advice on the delivery of training and education programs has been commissioned

by the WCB's occupational health and safety education authority. I understand that report is to be submitted next June and I am looking forward to hearing of its analysis and its conclusions.

In the whole area of training, education, prevention and protection, I am also particularly looking forward to parliamentary revision in Ottawa of the Hazardous Products Act. We can then put into place the work place hazardous materials information system in Ontario and enact our own worker and community right-to-know legislation. These actions, and the clear contemporary information on work place hazards that will flow from them, will make a major contribution to the enhancement of worker health and safety.

Finally, I am looking forward to the successful completion of our current round of consultation on the government's draft amendments to the Occupational Health and Safety Act. The successful conclusion of all of this work will have important and positive implications for freeing workers from the hurt that leads them into the compensation system to begin with.

**Mr. Chairman:** It is agreed, I think, that the critics will not get into a leadoff kind of response, but rather ask any questions of the minister flowing from his statements. Is that agreed? Are there any questions for the minister? In the absence of other members, I could fill the gap if the members are really stuck. Go ahead, Mr. McClellan.

**1130**

**Mr. McClellan:** I was curious about almost everything in the minister's speech, but one absurdity in particular leapt out at me and that was on page 10, where the minister was discussing the marvellous report done by Professor Paul Weiler. He wanted a public discussion of its recommendations and a thorough analysis of its cost implications. I do not want to make my speech and I will not; I will save that for another day. However, I am amazed at a minister whose Premier signed his name to a document promising reform of the Workers' Compensation Board, and by that everyone understood a reform principally and primarily of the permanent partial disability rating system of the Workers' Compensation Board and the use of the meat chart.

With the government on record as being committed to reform of the Workers' Compensation Board, how can this minister endorse or even contemplate the Weiler proposal for a second, which I will summarize as recommending a pain-and-suffering award to a maximum of 10 per cent of the average industrial wage, followed

by a wage-loss award that would be for a maximum duration of three years at a time? On the one hand, for pain and suffering, a maximum of 10 per cent of the average industrial wage, and in terms of the wage loss component of this dual-award system, the prospect of a lifetime of litigation against the Workers' Compensation Board on a three-year cyclical basis to try to maintain a so-called permanent wage loss disability benefit.

I have no intention of wasting my time in public hearings or public committee sessions on what I have to say is the most outrageous and nonsensical proposal for a reform of workers' compensation that I have ever heard. I have tried to be a thoroughly meticulous student of workers' compensation problems for the past 15 or 16 years. I say without being facetious or exaggerating that I think it is the most stupid proposal I have ever seen.

**Mr. Chairman:** Do you like it?

**Mr. McClellan:** I want to ask the minister how he can for a moment propose that this be the basis of the kind of committee work of this Legislature that will lead to reform of the board's permanent partial disability rating system. Are you serious about using this as the basis for a reform discussion?

**Hon. Mr. Wrye:** I somewhat regret that we are not having some discussions on this matter just as quickly as possible. My view is that the report delivered to the ministry by Professor Weiler formed the basis for a discussion in so far as the report, I think you will agree, canvasses a number of other options beyond the recommendations of Professor Weiler on which you have commented so eloquently and of which I gather you disapprove. It costs a number of other options. It points out other options that are being pursued in Canada and in other jurisdictions in North America. To be fair, it offers Professor Weiler's view and no other; his opinion as to the strengths and weaknesses.

It seems to me that at some point we are going to have to have the discussion that I wish we were having this winter as to: "Here are the number of options on the table. Fine, this is Professor Weiler's view." We might want to have him discuss with us. Clearly, you would not. Staff could prepare a summary of the various options, including options that you and your party have put forward in the past, that my party has put forward in the past and that are discussed and analysed by Professor Weiler. A public discussion with business, labour and other interested parties could go forward on the basis that we now

have before us a number of variations; in fact, a number of different principles as well.

**Mr. McClellan:** You are the government. You are the Minister of Labour. If you want to have a serious discussion, which I would welcome and so would my colleagues, for goodness' sake produce a green paper if that is your wish. If it is your wish to promote a discussion of policy options, produce a green paper from the Ministry of Labour and say what your preferred options are and what some of the alternatives are and we will engage in that discussion seriously. Or issue a white paper and say: "This is the government's policy. What do you think of this?" Then we will discuss that.

But do not give us this junk. Do not insult our intelligence or the views of injured workers that have been canvassed so extensively over the past 15 years on this very issue, and who, along with organized labour, rejected this approach four years ago. Do not insult us by giving us warmed-over, hashed-over proposals that are nonsensical and insulting and would be devastating for injured workers in this province. You know as well as I do that the dual-award system he is proposing would be a catastrophe for injured workers in Ontario. You know it as well as I do.

If you want to have a serious discussion about WCB reform, I challenge you to put your ideas on the table yourself and not to hide behind Paul Weiler or others any longer. Put your own cards on the table. Our cards are on the table. We not afraid of the give and take of debate, dialogue and discussion. We will join with you in that in the aim of reforming the Workers' Compensation Act.

So far, you have been in office for almost two years. If this is your only contribution to WCB reform, you have been wasting our time.

**Hon. Mr. Wrye:** I suppose we now are faced with the option of producing a green paper or white paper. That will be a decision that will be made by cabinet.

It was felt, Mr. McClellan, in discussion with my colleagues, that it would be useful in moving matters forward to use the Weiler report as a jumping-off point. I suggest to you, with respect, that most of the options available to government generically—this government and others—are at least canvassed in the Weiler report all the say from proposals that your party and my party made some three years ago, to proposals that have been implemented in other jurisdictions in this country, to proposal variations in California and Florida, to Professor Weiler's preferred



option. Within his preferred option, if one wants to accept the principle, one can vary that principle fairly dramatically. It seems to me he has made a small step. You would argue not at all, but it seems to me he has made a small step away from the actual wage loss, a small step to a projected wage loss. It is very small; it could be much further.

You have acknowledged it yourself by saying it would be done every three years in the first go-around. As I remember, it was to happen almost on an ongoing basis, certainly on an annual basis. There is some bridging between his earlier views, Mr. McClellan, and those of Professor Ison. You may argue there is not much, but certainly there are some possibilities there.

I do not know about the official opposition, but your party has clearly indicated that the report of Professor Weiler is not to be used as a jumping-off point for a public discussion, in which case we are going to have to produce a green paper or a white paper. With the direction that will be offered from cabinet, we are going to get on with that as quickly as possible.

**1140**

**Mr. McClellan:** I suggest that it would be most appropriate for you to produce draft legislation, or if you do not feel you are ready to do that, then a white paper that indicates the general direction of government policy and what the preferred options are. Quite frankly, I think it would be insulting at this point to come forward and say: "After all this time, we still do not have the slightest idea what our preferred actions are. What do you think, folks? Should we do A, B or C?"

You have an obligation to show some leadership, and at the least, to produce a statement of government policy for discussion purposes. As I said, we will join you in that discussion with a great deal of commitment. I tell you again as strongly as I can that this is not the appropriate basis for that public discussion. It is just simply not good enough for injured workers in this province.

**Mr. Gillies:** I certainly would support any initiative on the part of the ministry to bring forward a discussion paper as to the direction this organization should be going in. I agree with Mr. McClellan that it should be somewhat more comprehensive than the kinds of proposals put forward by Professor Weiler. I say that, minister, because I hope you do put something before us in the next little while and that in doing so you recognize that faced with the kind of information and figures we have discussed this morning on

the question of unfunded liability, increased assessment costs and so on, it is no longer sufficient—I think our party believes this—for us, as legislators, just to debate future reforms of the board that would—

**Mr. Taylor:** Patch up.

**Mr. Gillies:** If you will, some of them are patch-up solutions. It is not enough any more just to bring forward proposals for the enhancement of various types of benefits, the expansion of programs and so on, without taking into very serious consideration how we adequately fund this system in the future and how we get some sort of handle on the outstanding liabilities of the board. I think that with some ingenuity and thought on all our parts, we can do both: improve the system and at the same time get a grip on costs. I invite the minister to comment on this.

I guess part of our concern comes out of our shared feeling. I have heard the member for Sudbury East (Mr. Martel) say many times, and I have always agreed with him, "If you want to get a handle on the costs associated with injured workers and reduce those costs, the only way to do it is to reduce the number of injuries." I have always believed that philosophically; it should be sound. However, we now are faced with evidence, in the mining sector for example, where there have been dramatic improvements in safety records and reductions in accidents and so on, but the costs accruing to that sector have continued to escalate. It appears to call into question the philosophy we have put forward. There seems to be a capacity within this area for costs to continue to escalate regardless of accident patterns.

**Hon. Mr. Wrye:** I would not want to leave the impression that is entirely true throughout the mining sector. Dr. Elgie may want to add something to this. There is a rate group within the series of rate groups that includes Inco and Falconbridge. That rate group received a nine or 10 per cent decrease in its rates this year, a cost saving, in the case of Inco, of \$2 million. They received that decrease in their rate not so much because that rate group does not have an unfunded liability any longer—it does—but the improvement per 100,000 person-hours worked in both the frequency and severity of the accidents was such that, as I understand it, the board's actuaries felt confident that the trend line had been well established. In a sense, Mr. Gillies, a bit of a carrot was being offered. It was not offered only to those companies. There were a small number of rate groups, about 16 in total, who received a reduction in their rates in 1986.



That is an attempt by the board, and I think it is a good one, to be applauded, to show those groups that are really beginning to do the kinds of things all members of this committee want on the health and safety side in reducing, practising and putting into place good prevention policies that are delivering some results that when they deliver those results, they will not continue to face skyrocketing costs.

Within some of the rate groups who received even the maximum increase last year, there are lots of good companies. I am sure all of us in this room have heard from those companies who have come to us and said: "Look, I have a terrific record. I only had two lost-time accidents all last year, I have 110 employees and my rate went up 14 per cent. Why is that so?" The problem is that within that rate group there are some very good employers. There are some who are doing the kind of job we all want done and there are some who are not yet delivering the kind of results I think the workers in this province have every right to expect. As a result, that overall rate group keep getting dragged higher and higher.

**Mr. Gillies:** I am encouraged by your comments. I do not have the figures with me. I based my comment on some figures I saw from the Ontario Mining Association indicating that sector-wide there had been a continued increase. I think experience rating is a great thing. If some of the companies have a handle on this area and are successful in reducing accidents, then I agree with you. I think to the extent it is possible, the cost savings should be passed along to them.

**Dr. Elgie:** I just want to add to that, Mr. Gillies, that you may recall that when the three-year strategy to deal with the unfunded liability was put in place, there was also another temporary policy put in place; namely, although there was a cap on the upward level of any one assessment group's increase, there was also a floor put in which said there should be no decrease in any assessment rate, regardless of the accident record. That was removed this year. That allowed, as the minister said, a number of companies to receive a reduction in their assessment rates because of pretty exceptional records that they were showing. Similarly, there was a cap put on the level of that reduction because we had to cap the other way.

**Mr. Gillies:** I guess what I am getting at is this. I would like very much for us as a Legislature to be able to continue to recommend reforms and improvements to the system. I believe many of the reforms we brought in in Bill 101 were right philosophically and have proved

themselves to be right practically. Our hesitation is because we are faced with the financial implications, which are very evident to members of the committee.

Before we go about recommending further reforms—and I could produce a list right now just out of the material I have right here—we want to have some sort of grip on the cost implications in so doing. For example, I have a copy of the 1983 report and of your caucus's dissenting report of 1983. Some of the recommendations you made in here are very sound. You, Mr. Riddell and Mr. Sweeney recommended, for example, wage loss to be paid at 100 per cent of net as opposed to 90 per cent, employers who refused to re-employ workers to face increased assessments and fringe benefit costs, and so on, all of which is attractive in a philosophical sense.

At the same time, we are left wondering, suppose we implement some of the things you were talking about three or four years ago. How much does it bump up that unfunded liability? How much does it bump up the assessments to business? As the minister will know, if you ask any small business group in this province today what its number one problem is—and I have figures here on it from a survey done by the Canadian Organization of Small Business—it is no longer the economy or unemployment generally, or some of the things they were saying three or four years ago. They now say their biggest problem is the Workers' Compensation Board.

How do we, at the same time, implement reforms and get control of these cost issues? I know it is a very broad and philosophical question, Minister, but I think it is the scope of problem that you, as the chief policymaker in this area, should be coming to grips with.

1150

**Hon. Mr. Wrye:** You make an interesting point in a sense. Without returning to something I know Mr. McClellan feels strongly about, I think it would be important that as we go forward with the green paper, white paper, draft legislation or whatever—and I remember the discussions we had in the hearings in 1983. I think it is absolutely essential that we go forward in our discussion of reforms to the present permanent partial disability system in terms of the many other issues that remain on the table from the earlier white paper. There are a number of issues that remain on the table, as you pointed out.

At all points we must share with all members of the Legislature and, more important, share with the public, with the worker community, with the business community and with members

of the public in general, the cost implications of all the reforms. I endorse what you are saying. Then it can be seen that the Legislature as a whole, the individual members, the three parties in the Legislature, will make their determinations, but will have before them the cost implications of the determinations they will make. I guess we will be held accountable in that sense.

I do not propose to ask members of the Legislature to go forward with any major reform of the PPD system without not only recognizing cost implications but also laying out before the Legislature a number of the other implications. As Mr. McClellan points out, it is fair to say that we had as our centrepiece of the discussions in 1983 on the white paper recommendation 3 in the white paper, and that had to do with the reform of the present PPD schedule.

I think it is fair, Mr. Gillies, that as we lay before the Legislature, the members of all parties, the government's view and, indeed, the alternative options, that those who produce these numbers come out and in a very clear and concise way indicate to all of us what the implications of the various options are financially.

It would be unfair if I did not acknowledge that there is a concern in the business community with the overall costs of the system. There is no doubt about that. The board of directors of the WCB, I think very wisely, has been looking in a very major way at ways of delivering the service more effectively, at more cost-effective ways of delivering the service so that some of the costs of the system will be reduced and yet, as I said in my statement, we can maintain fairness.

There are a number of ways to reduce costs, and I think the way the board is attacking the problem now is certainly—they do the job, hopefully will do part of the job, for the business community but, at the same time, will maintain and, indeed, will maximize the benefits that injured workers will receive.

**Mr. Gillies:** In view of the time, I will leave it at that. On a procedural point, Mr. Chairman, I wonder if I might raise something with you. I am advised that our caucus has a very serious time conflict at 9 a.m. on Friday. I wonder whether the committee would agree to meet at 10 a.m. to accommodate our members.

**Mr. Chairman:** I think that is appropriate, so we will make it 10 o'clock instead of nine on Friday.

**Mr. Mackenzie:** Did you wish to wrap it up, briefly?

**Mr. Mackenzie:** I have three questions. I think they can be quick.

The first is on page 3 of the minister's report which deals with compensation for gold miners who contracted lung cancer and for their survivors. This latter issue is a priority for IDSP. I well recall the questions we raised and the visit of Mrs. Larcher, who was just one of many widows, but represented 34 of them in the town of Timmins and the tragedy they have been through.

I am wondering what you can tell us in the way of times when you say this is a priority issue. I raise that because I recall back in 1976 or 1977 raising the question of lung cancer in gold miners before one of the sets of Labour estimates. We sure did not get too much encouragement at that time.

**Mr. Chairman:** Mr. Mackenzie, would it be appropriate to raise the three questions you have now and we can deal with them on Friday?

**Mr. Mackenzie:** That is one. I would like something a little more definitive on what we are going to see happen, because there are an awful lot of people out there.

The second one is mentioned on page 14 in your report. I wonder, when you are talking about using the safety associations, if part of your consideration here is also the question of whether the board should not be involved in possibly funding the workers' health and safety centres. Can you also tell me how far along you have got in taking a look at the Hamilton situation and whether that is going to be through the board now or through your ministry, or who is going to be involved in that? I would like something a little more definitive on that.

**Hon. Mr. Wrye:** The occupational health clinic—

**Mr. Mackenzie:** That is right. The third is a perennial question and it deals with some of the discussion we had on the question of my colleague Mr. McClellan. The WCB problems still bother all the members, in spite of the improvements since the worker advisers.

I just ask the minister what you tell a constituent. I had two of them in on Saturday morning. One is a female worker who had both a back and a leg problem. Some two and a half years ago, she was assessed at 20 per cent. She is drawing \$219 a month. She has been through the appeals, and that appears to be it. She has been ably assisted by the McQuesten legal aid clinic in our community, but she was a major money earner in her family. Just what do you tell her?

With the other one, the same morning, the whole family came in. In that family, the chap is also assessed at 20 per cent as a result of a back injury. He is drawing \$229 and change and also has been through the appeals procedure, and I think was ably represented. In both cases, the doctors say they are unlikely to work again, although they can get around. Here, you had a whole family confab desperately trying to figure out how they are going to pay the bills—part-time work by a daughter who should be in school and a number of other things.

Just what do we tell constituents who come in with these kinds of ratings—20 per cent for back

injuries—who are not able to work and who are drawing that kind of money? When are we going to take a look at some kind of an income replacement operation? What do you, as minister, tell us to tell them when we get these kinds of queries?

**Mr. Chairman:** Are those questions understood, Minister?

**Hon. Mr. Wrye:** Sure.

**Mr. Chairman:** All right. Then we shall adjourn now and reconvene at 2 p.m.

The committee recessed at 11:58 a.m.

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### Witnesses:

#### From the Ministry of Labour:

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 Sadlier-Brown, P., Assistant Deputy Minister, Labour Policy and Programs

#### From the Workers' Compensation Board:

Elgie, Dr. R. G., Chairman  
 Wolfson, A. G., Vice-Chairman of Administration and President  
 Kaegi, Dr. E., Vice-President, Policy and Specialized Services  
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### Legislative Assembly of Ontario

#### **Standing Committee on Resources Development**

Annual Report, Workers' Compensation Board, 1985

**Second Session, 33rd Parliament**

Tuesday, March 10, 1987

Speaker: Honourable H. A. Edighoffer

Clerk of the House: C. L. DesRosiers

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# LEGISLATIVE ASSEMBLY OF ONTARIO

## STANDING COMMITTEE ON RESOURCES DEVELOPMENT

**Tuesday, March 10, 1987**

The committee resumed at 2:08 p.m. in room 151.

### ANNUAL REPORT, WORKERS' COMPENSATION BOARD, 1985 (continued)

**Mr. Chairman:** It was agreed this morning that this afternoon would be for the members to have an exchange with the chairman of the Workers' Compensation Board and others who might be here from the board.

**Mr. McClellan:** I have a number of areas that I wanted to raise with the chairman. I will not do them all at once as I am sure other members will want to participate. If I may, I will start with the first question, which has to do with the fate of decision 72 of the Workers' Compensation Appeals Tribunal.

Decision 72 was one of those landmark decisions of the tribunal which altered the definition of "work accident." In case you are interested, Mr. Chairman, it was handled by my legislative assistant, who won the case on behalf of the injured worker.

I understand that on Friday the corporate board of the Workers' Compensation Board reviewed decision 72, but I do not know what happened. My first question is: what happened? Is the compensation board going to allow, if I may put it this way, justice to prevail, the decision to stand and the rights of the injured worker to be upheld, or does the corporate board intend to challenge decision 72?

**1410**

**Dr. Elgie:** If I may, a little background information is relevant. I referred to part of it in my opening remarks. Members will recall when Bill 101 was before a committee of the Legislature, subsection 86n of the bill empowered the external board of directors, made up of representatives of employers, labour and professional persons, to review matters of policy in general law that flowed from any tribunal decision. With that mandate as a possibility with respect to decisions flowing from the tribunal, the new board of directors developed a philosophy about how one might deal with decisions flowing from the tribunal.

As I mentioned earlier today, there was initially a WCAT review team headed by Doug Cain, which has recently been moved to Cindy Morton, our general counsel, to review decisions of WCAT. When decisions come in, as I mentioned in my statement earlier, they are either incorporated into our policy or, if we do not have a policy in the area, then we review the issue; or if we need to review our present policy, we do. Then there are some decisions that the committee puts its mind to with respect to whether or not the powers given by the Legislature to the board of directors should be exercised under subsection 86n.

The criteria we have tried to apply are: step one, is this a matter of general law and policy; second, is it a matter of substance with respect to workers' compensation law; and third, is it a matter for which there is some important reason that it should be reviewed? For example, are there differences of opinion or different policy positions between the board and WCAT that need to be reviewed by the new external board? Decision 72 was deemed by the review committee, and by the board of directors last Friday, to be a decision that fits into all those categories: namely, it was a matter of general law and policy; second, it was a matter of substance going directly, as Mr. McClellan said, to the heart of compensation in terms of what is the definition of injury by accident; and third, there was an important purpose to be served by reviewing it.

Members should also understand that there is a very difficult situation here for the tribunal, as well as for the client groups that we are all trying to serve. That problem is, while decision 72 was under way last summer, simultaneously there was a judicial review taking place of two other cases, the Kuntz case and the Dagenais case, which related to the same issue of what injury by accident meant and whether the board's interpretation of injury by accident was the correct one.

In September 1986 the Supreme Court of Ontario, on appeal, came down and decided that the board's interpretation of injury by accident was not patently unreasonable. That does not mean they are saying it is right; they are simply saying it was not patently unreasonable.

**Mr. McClellan:** That is very complimentary.

**Dr. Elgie:** Interestingly enough, in the decision in what is called *laudator dicta*, they went on to make some comments which have no substance in terms of precedent, but they did say the idea that the injury itself could be the accident is stretching it a little bit. They went on to say that the board's position, that there needed to be an external event, is probably stretching it a little bit, but in any event they did not find the board's position patently unreasonable.

The board was then faced with two decisions, one from the Supreme Court of Ontario and the other from WCAT, which had a different definition of injury by accident; and we had an outside legal opinion, that a court on judicial review would undoubtedly say that the decision was not patently unreasonable and that there was sufficient confusion about what was the appropriate definition to be interpreted from the phrase "injury by accident," that the corporate board, surely, in a case such as this, had no alternative but to exercise the option under section 86n to look at the decision.

Having said that, those who look at the press release carefully will realize that the board in so doing did not indicate that it had a preference for one approach or the other, and I may say that I have no doubt that the board will be looking at it in terms of those two decisions and in terms of all options that one might consider when looking at the definition of injury by accident.

**Mr. McClellan:** Before we come back to the main point, let me ask the chairman whether the board has exercised its power under subsection 86n(4) to stay the enforcement of the tribunal decision in this case or whether the injured worker, who is an Italian woman, will actually be paid.

**Dr. Elgie:** The matter was specifically discussed because there was an application from the representative of the employer in this case requesting that there be a stay and indeed that there be a vacation of the order of last summer.

It was partly for that reason, but mainly for the general principle, that the motion by the board incorporated the view that it was not making a decision for determination as to which view was right; and with the authority with respect to the use of section 86n(4) having been delegated to the chairman or the vice-chairman, I suggested to the board that I did not think that this would be an appropriate case in which to exercise that stay power and that I would proceed to so advise the employer's representative.

**Mr. McClellan:** So she will be paid?

**Dr. Elgie:** Yes.

**Mr. McClellan:** That is a mercy at least.

**Dr. Elgie:** Pending the outcome of this.

**Mr. McClellan:** I am assuming she will not have to repay if the board reverses the decision of the tribunal?

**Dr. Elgie:** Those are determinations I cannot make here at this time.

**Mr. McClellan:** It is possible, it is feasible, that the Workers' Compensation Board of Ontario could overturn a decision of the appeal tribunal and turn a ruling in favour of an injured worker to a ruling against the injured worker; and second, as a corollary, force the injured worker to repay any moneys that have been awarded in the interim?

**Dr. Elgie:** I would submit to you that a careful scrutiny of 86n(1), if I may see it again, revealed a number of options that the board will have to consider at the time it makes its determination.

First of all it "may in its discretion review and determine the issue of interpretation of the policy and general law of this act." It has now made the decision to carry out that review.

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Having made that review, it then has a second option open to it, a further step it may take, in that it "may direct the appeals tribunal to reconsider the matter in the light of the determination of the board of directors." That is a decision they have not yet made. Let us assume they did make the determination to refer it back to the tribunal, that tribunal then has to redetermine the matter in the light of the board of directors' view with respect to the policy and general law. It would have no comment at all with respect to the merits of the case because they do not have that power under this section.

**Mr. McClellan:** Who has the final say? Let me backtrack, because there is a stage here I do not understand. Did the corporate board of the Workers' Compensation Board decide to hold another hearing?

**Dr. Elgie:** If it determines that it will exercise the power under section 86n, then it is obliged to hold a hearing, oral or written. If it wishes to dispense with oral it must make such a decision, and it did not make that decision.

**Mr. McClellan:** It has not yet made that decision. I am sorry: has it made the decision as to how to proceed?

**Dr. Elgie:** Yes. It will be receiving oral and written.



**Mr. McClellan:** In other words, as I understand it, the board is forcing yet another hearing from the beginning on this—

**Dr. Elgie:** Not on the merits of the case; simply on the issue of the interpretation of the law.

**Mr. McClellan:** They happen to be one and the same thing in this case.

**Dr. Elgie:** No, no. You will know, from being a representative of the worker, that there was evidence in that case from physicians and from a number of people in cross-examination on different views, and none of that would be involved in this. This is strictly a matter of which is the proper determination, if either is proper, in the definition of "injury by accident."

**Mr. McClellan:** Just so I understand here: who has the final say? I understand the workers' compensation corporate board will hold its hearing and report its findings to the tribunal; and then if they want—this is optional—they can instruct the tribunal to reconsider the matter yet again in the light of their decision. Who has the final decision, the tribunal or the board?

**Dr. Elgie:** That is an interesting battle that I suppose will have to be argued some day.

**Mr. McClellan:** What is your view?

**Dr. Elgie:** I would think if one went to the legislative intent and the discussion that took place at the time, I am led to believe that the board of directors were to have primacy with respect to policy and general law; but there is certainly an argument that one can put on the other side, that to direct that another body reconsider in the light of that determination may be subject to other interpretations. That is something one would have to wait and see as it unfolded.

**Mr. McClellan:** It is your view that ultimately, when you get right down to the bottom line, which is always whatever counts, or only what counts, it is the corporate board of the WCB that has the ultimate decision-making power, notwithstanding section 861, which says, "The appeals tribunal may confirm, vary, reverse or uphold any decision of the board under appeal."

**Dr. Elgie:** I have said very clearly that there are at least two options open as to how the section might be interpreted: the one I have an understanding of with respect to previous discussions that took place; and the alternative that may be put forward by others, that "in the light of" does not mean that it must be followed. I have no idea what a court would say is the appropriate

interpretation of that section, unless you want to retain me to give you a written opinion on it.

**Mr. McClellan:** I assume you already have your usual opinion from Mr. Robinette. No?

**Dr. Elgie:** No, but if I did I would value it very much; all of those who had the opportunity to be present with him at the hearings on another case have expressed sincere appreciation and admiration for his capabilities, as you have on many occasions.

**Mr. McClellan:** I know; I certainly agree with you.

**Dr. Elgie:** He speaks highly of you. I do not know why you feel this way.

**Mr. McClellan:** I am just going by force of habit here.

**Dr. Elgie:** You and I have been through this before.

**Mr. McClellan:** If I understand it correctly, and I will put my own crude interpretation on this, the Workers' Compensation Board has repudiated a decision of the appeals tribunal by virtue of its ability to exercise its options under this section of the act and is going to force the injured worker to at least two more stages of litigation: one, before the corporate board; and two, depending on the outcome—about which I somehow have a sneaking suspicion, I can guess—have it go back to the appeals tribunal for yet another reconsideration.

Then, since you have indicated there is obviously a difference of opinion—although I thought it was as clear as the nose on my face that the appeals tribunal had the final decision-making power under this act, and that was certainly the intention of the New Democratic Party caucus when we supported this bill, but the board does not agree with that opinion—I assume there will be additional litigation on the question of where the bottom line is, with the tribunal or with the board. In the meantime, this woman will be paid. We are talking five years of litigation, without any stretch of exaggeration at all.

To what purpose are we going through this ridiculous exercise? I can tell you, Mr. Chairman, we all know what the purpose is. The WCB has a narrow and nasty interpretation of the definition of "injury by accident," which it has trotted out over the years to deny injured workers what I regard as a matter of natural justice.

It has been used, by extension, to cripple the WCB in the area of occupational health and safety by having the same narrow interpretation of the definition of "work accident." The board has learned nothing—nothing, nothing—over the



course of the past two years in our attempts to move the board from its 19th century vision, its 19th century attitude, to a position appropriate to the latter part of the 20th century in a modern industrial society.

I think this is pathetic and regrettable, and I say that with all the sincerity I can muster. I understand that the labour representatives on the corporate board did not vote for this decision. They voted against it. It was a split decision. That should tell you something. It tells you that you are moving backward, not moving forward and that you will regret—and I say this to the parliamentary assistant—that your Workers' Compensation Board has compromised the integrity of the new, independent appeals process that this Legislature set up.

When you come right down to it, you are saying you have an independent appeals tribunal that has been set up with a great deal of expense, a great deal of community trust and acceptance and a great deal of credibility, but when push comes to shove, if the tribunal makes a decision that the Workers' Compensation Board does not like it is going to be too bad for the tribunal and too bad for the injured workers, the board will not accept the tribunal's decisions.

I think the board has made a terrible mistake, and I am not exaggerating. This is the first case to come from the tribunal in which long-standing policy of the WCB with respect to interpreting unclear sections of the act has been at issue. This has been the most significant decision made so far by the tribunal, and the corporate board is saying: "Sorry, folks, we do not like it. We have options and we are exercising those options. We interpret the act as meaning that our decision will prevail even if the tribunal does not like it. When the bottom line is written, our name is there and not the name of the tribunal."

You are making a serious mistake and you are compromising the reform process which is under way in a way that I do not think you begin to understand. You are going to be very sorry if you proceed to repudiate and undermine the integrity of an independent tribunal system which all parties in this Legislature voted to establish.

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**Dr. Elgie:** I know these are firmly held views Mr. McClellan is putting forth, and I hope that, with the same degree of candour and openness, he can believe that the steps that have been taken and recommended were as a result of firmly held, honest beliefs.

It is my belief that section 86n was put in there for a purpose. If it was not put in there for a

purpose, it should not have been put there. I put it to you that it was anticipated by those who drafted the bill, at least in the light of the then Weiler report, that there would be at least a dozen such reconsiderations per year. In fact, a year and a half has gone by and there have been none, because alternative ways of looking at differences of opinion have been devised in the manner I have outlined to you that the committee takes.

This is not to be seen as a repudiation of the appeals tribunal. It is simply a step that is required of a board of directors when there is a matter of substance before it. They have made it very clear that the power should only be exercised where there are major issues and also where there is a good public and important purpose to be served by so reviewing it.

That is the decision that was made, not a decision that WCAT was wrong and not a decision that the WCB position was right. Indeed, there may be some other position that is correct and appropriate, but to fail to exercise its power in this case, I put it to you, Mr. McClellan, would have been abandoning the role the Legislature gave to it.

**Mr. McClellan:** With respect, and this is a key point, you have expressed the view—

**Dr. Elgie:** No, you have a different view.

**Mr. McClellan:** Listen to what I am saying. You have expressed the view that when push comes to shove, and all this process of litigation is completed, the view that will prevail, ultimately, will be the view of the corporate board of the Workers' Compensation Board and not the decision of the appeals tribunal. I put it to you that is not part of the legislation as anybody around here understood it when it was being passed.

**Dr. Elgie:** I am not in a position to interpret the legislation for you, nor do I have a legal opinion from anyone—whether or not you would care to nominate the party to do this is a matter we can discuss some other day—interpreting that section. All I am telling you is there are clearly different points of view.

In Reshaping Workers' Compensation for Ontario, the first report by Paul Weiler, it is my recollection of the document that it was intended that the final decision-making power in areas of policy in general was always to rest with the WCB. There are those who hold otherwise, and I understand that. I do not know which way it would go in a court interpretation, but that is my understanding of the difference of opinion and of the view Mr. Weiler had in his report.

**Mr. McClellan:** For me the bottom line is very simple. We have a management decision that was passed by the WCB on Friday of last week, and it is being imposed as a matter of policy on what we thought was a reform process. It is being imposed on a woman who thought she had won recognition of entitlement before the tribunal after years of being denied justice by the WCB.

I put it again to the chair, you and your corporate board have made a serious mistake that we are all going to regret very much.

**Dr. Elgie:** Might I clarify one matter? The suggestion that the board had not been in touch with a representative of the claimant about the consequences that might flow from this is not an accurate construction of events.

I recall quite vividly in August of last year writing to the office of the MPP who was representing that particular woman, indicating that, because of the reconsideration that might take place, although we would commence payments because the law required it, there might well come a day when the board would have to seek recovery. Whether that will happen I do not know, but that was outlined to the representative at that time.

**Mr. Chairman:** Mr. Mackenzie is next, but Mr. Taylor requested a supplementary on Mr. McClellan's question.

**Mr. Taylor:** I was interested in this point Mr. McClellan is making. I wondered what the criteria are for the board to exercise its discretion, because once it does so, as I understand the legislation, it can hold a hearing or not hold a hearing but it must have submissions from each party.

**Dr. Elgie:** It may dispense with a hearing but it must then allow written submissions. I am saying that our board has not made its determination to dispense with the hearings. It will have a hearing, as well as written submissions.

**Mr. Taylor:** Before that, the board exercises a discretion as to whether a review is warranted.

**Dr. Elgie:** That is right.

**Mr. Taylor:** If that determination is really made in the abstract by the board itself, then the board can suspend the operation of any order in the meantime. You have these things coming into play before you really have a hearing; and the hearing may not be a hearing, it may be the acceptance of written submissions by parties affected.

In section 86n it says, "Where a decision of the appeals tribunal turns upon an interpretation of

the policy and general law." I think you were commenting on that, Dr. Elgie. Is there not an appeal to the courts if it is a question of law? Why would you need this?

**Dr. Elgie:** Because that is the way the statute is written.

**Mr. Taylor:** I know, but surely there must be some basis. I think it may be a fear of the unknown because there is a section in here that has potential for abuse. That may be the problem. I am just wondering if there were any established criteria by the board of directors that they employ in exercising a discretion as to whether a review is warranted.

**Dr. Elgie:** Clearly, the statute does not set out the criteria.

**Mr. Taylor:** No, it does not. That is why I was asking you that.

**Dr. Elgie:** That is why I have indicated to you that the board has made some determinations, the main one being that it will not be a power that it exercises indiscriminately with every case that hinges on policy and general law.

In this particular case, the criteria applied were that it is a matter that falls under policy and general law and it is a matter of substance that goes to the very heart of compensation: what is the definition of injury by accident? Third, the board made a determination that there was an important public purpose to be served by holding such a review, particularly in a situation like this where there are two different points of view, one of which has been upheld as not unreasonable by the Supreme Court and the other which has been stated by the appeals tribunal.

There is an important policy issue to be determined. I do not think there would be much disagreement that if the board failed to exercise its power in a case like this, then it really would have abdicated its role and section 86n would serve no purpose. That is my view.

**Mr. Taylor:** It looks like there is another step here in an appeal process which is not available equally to everyone.

**Dr. Elgie:** There are those who would argue that in the presence of such a section, any move to have a decision by the appeals tribunal reviewed by way of judicial decision would not be open to them until this power was exercised—

**Mr. Taylor:** I would agree with that.

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**Dr. Elgie:** So that is a step that one must take, I believe, because I do not think a court would accept an application for a judicial review unless



a corporate board such as ours had made a decision not to review or a decision to review.

**Mr. Taylor:** It is like a leave to appeal.

**Dr. Elgie:** Yes.

**Mr. Taylor:** Except that there is no representation by either party until the decision is made to grant the appeal.

**Dr. Elgie:** That is right.

**Mr. Taylor:** There seems to be something missing there.

**Mr. Chairman:** Supplementary, Mr. Gillies.

**Mr. Gillies:** Along the same lines, Mr. Chairman, there is another thing I do not see in section 86n and perhaps I could be advised if it is elsewhere in the act: it does not speak to time limits at all.

**Dr. Elgie:** No, it does not.

**Mr. Gillies:** I guess the point here, Dr. Elgie, is: let us say a reasonably controversial decision, such as decision 72, is put in place; in the absence of any initiative by the board to have a review, then I assume the instruction to all adjudicators is that 72 is accepted and future decisions should be made on claims with that in mind. Is that a correct assumption?

**Dr. Elgie:** You either accept decision 72 or you do not, that is quite right. Now there are other decisions that come out where you may say there is still some evolution of the policy that needs to follow. You may not yet be telling your adjudicators to apply that principle to all cases, but you are reviewing it at a policy level to see whether it is a matter you will instruct the adjudicator to look at.

For instance, the tribunal has come down with a decision on fibromyalgia fibrositis. At the present time, Dr. Kaegi's policy review division is in the midst of a review of the issue of fibromyalgia and will take the decision of the tribunal into account as it reviews the issue. It will then come up with a determination as to what it thinks is an appropriate policy and will hold some discussions with groups, perhaps even with the appeals tribunal, I do not know. That is a different route that it can take without applying the general principle to all cases that come thereafter.

**Mr. Gillies:** The possible abuse I see arising out of this section is that the board could tacitly accept an appeals tribunal decision on something like decision 72 and process a number of other claims with that assumption in place, but there is nothing here to say that three or five years down the road, for whatever reason—

**Dr. Elgie:** That they could not challenge it.

**Mr. Gillies:** —they could challenge and review it and that future claims could be adjudicated under different criteria than those preceding cases.

**Dr. Elgie:** That is right. By the way, that is something that happens in the courts all the time. It just takes a little time.

**Mr. Gillies:** Yes, but as my colleague has said, there is not the opportunity for representations in this case, which there would be in a courtroom.

**Dr. Elgie:** Application for leave to appeal is not part of this.

**Mr. Taylor:** On that, does the element of law have to be present? You see it is policy and law. Is that joint, not severable?

**Dr. Elgie:** The interpreters of statute will argue that one, too. I do not know what the correct answer is. I think this particular case is not in dispute; it is a matter of general law and policy. Others may argue whether "and" is conjunctive or conjunctive and disjunctive, and I do not have the answer to that. In any event, in this case I do not think it applies.

**Mr. Mackenzie:** Dr. Elgie, did you tell us whether this was a split decision of the board?

**Dr. Elgie:** Yes. We said in the press release that it was not a unanimous decision.

**Mr. Mackenzie:** So we did have the labour people on the board opposing this.

**Dr. Elgie:** Since no one asked to have his vote recorded for or against—it was simply not a unanimous vote—I do not know if I am at liberty to discuss that. But it was not a unanimous vote.

**Mr. Mackenzie:** Maybe I am looking at this in an overly simple way, but it disturbs me that it underlines the confusion that many people have with the board as to just what it does say and what it does mean. I have difficulty when I read section 86l, "Powers of Appeals Tribunal." It says, "The appeals tribunal may confirm, vary, reverse or uphold any decision of the board under appeal." You are saying that it may have to come back to the corporate board the second time around to make a decision. I ask you what the hell that means. Do you need to be a lawyer to tell you that the act does not mean what it says when you read it? That is what it seems to be.

**Dr. Elgie:** There should be a "notwithstanding" clause in front of section 86n—"notwithstanding the above." There is no doubt that section 86n says what it says, that as a matter of policy and general law, the board—



**Mr. Mackenzie:** In other words, do not believe what you read when you are going through the act section by section.

**Dr. Elgie:** I think all members considering it understood what the section meant. There may be some difference of opinion on—

**Mr. McClellan:** I have never heard your opinion before.

**Dr. Elgie:** I am reporting the views that some have on what that means.

**Mr. McClellan:** You are reporting the views of the legal staff of the Workers' Compensation Board.

**Dr. Elgie:** No, I have never sought an opinion from them. I told you that.

**Mr. McClellan:** I am telling you that nobody, nobody, nobody dreamed that these two sections meant what you say they could mean.

**Dr. Elgie:** Let me just recollect. My recollection is that legal services would cast doubt on whether "in light of" is binding on the appeals tribunal. I have not been told that by them. I am telling you that there are two schools of thought on what that phrase means and that has not been resolved nor do I have any opinion that resolves it. But if you want my—

**Mr. McClellan:** No, I do not.

**Dr. Elgie:** What I was saying was my own personal view. It was not in terms of what the board would say its opinion is.

**Mr. Gillies:** At the risk of belabouring this, I guess the problem is that it is broadly discretionary; at least that is the way I read it. I accept the point you made, Dr. Elgie, that a court can reverse a decision at law down the road a piece, but in terms of administrative policy, this seems extraordinarily discretionary in that the board could accept a decision of the appeals tribunal and adjudicate other cases on that basis for years, as far as we can see. Then down the road for any reason, because accepting this particular type of claim was getting too expensive or whatever it might be, completely at its discretion it could change the policy without the opportunity for representations even from the original parties to the original decision. I just wonder whether that was the intention of the drafters. I do not know.

**Dr. Elgie:** I would not think so. For the board to go back a long way would be walking a hazardous path. That is my own view, Mr. Gillies, having been before this committee on other occasions.

**Mr. Gillies:** Even if there were a time limit, that would not entirely solve the problem, but

perhaps the board should have to respond to an appeals tribunal decision and its rationale for a variance thereof within six months or a year or whatever it might be.

**Mr. McClellan:** I have a very short factual question. Has the board dealt with decisions 9, 11, 50 and 111?

**Dr. Elgie:** Those decisions were reviewed by the committee and no recommendation to review them was put to the chairman. The whole package of material is forwarded to the board of directors each month. They have the opportunity of reviewing each of those documents and they know the committee has not recommended a review of those particular cases.

**Mr. McClellan:** There has been no stay of execution on any of those decisions.

**Dr. Elgie:** No. You cannot have a stay unless you make a decision under subsection 86n(1). That is not to say that—I do not know in which one—we have not been in touch with the tribunal to say that we have some concerns about an interpretation and that we value the opportunity to talk to it about it, but we have not used section 86n and there has been no recommendation to use section 86n.

**Mr. McClellan:** Those decisions have all been executed.

**Dr. Elgie:** They all are unless section 86n is brought into effect, Mr. McClellan.

**Mr. Martel:** If I am correct, I am discussing some of the items contained in the chairman's statement, page 16. You were at the hearings that we had with the Industrial Accident Prevention Association and the construction association and so on. Rather startling statements were made at some of those hearings by the Construction Safety Association of Ontario; for example, that Bill 70 might not be the tool to bring about a reduction of accidents in the work place.

I see the statement you made here that you are considering training courses, seminars, audio-visual and print material. I want to raise three short issues. Audio-visual material: Is it your intention, since you are allocating the funds for the ads, to ensure that the ads that are run on behalf of the construction association are balanced? For example, could we not have ads that do not show a worker not wearing his hearing aid? It shows that in one of the ads. The other one shows a dumb worker being run over by a truck, but nowhere in the ad does it say that in construction a truck that backs up is supposed to have one of two things, either a signalman or a warning device. Can we not make sure those ads

are balanced? In my opinion at least, so far they have all been portrayed to indicate the worker is dumb and therefore is responsible for his own accident.

For example, "If your company is not providing you with safety goggles, phone the Ministry of Labour," or "If he is not providing you with ear protection, contact the Ministry of Labour or the Workers' Compensation Board and they will make sure your employer supplies it." If you see a worker falling under the wheels of a truck, it is the worker's fault, but nowhere do you see that there is no signalman or hear on the ad that there is no beeper. Can the ads not be balanced? That is what drives me around the bend most about those ads. They are totally one-sided and make the worker appear to be responsible for all his accidents. They have to become balanced.

It is time the compensation board said to the Construction Safety Association: "We do not approve of that type of ad, it is not fair and it does not represent the situation at all." Should there not be an element of fairness and can they not show where you can go to get the situation rectified if you want to reduce accidents? They should be giving information that sounds a warning and at the same time gives direction as to where you go to ensure these things are being adhered to.

**Dr. Elgie:** The member for Sudbury (Mr. Martel) and I have had numerous discussions on this issue in the past and perhaps even on the same side of the issue. He made his point quite eloquently last fall, as I recall, before a committee that was reviewing the situation. The statement I made today perhaps was not explicit enough, but part of it was to indicate to you that since that time, advertising guidelines have been approved by the board on the recommendation of a tripartite health and education authority, reviewed by a joint policy review team that is biqueual and bipartite. They have been adopted by the board. Correct me on this, but they deal with the issue of balancing the sense of responsibility in advertising, portrayals of accidents and so forth.

In addition to that, we have set up a review advertising committee chaired by Stewart Cooke. The other members of the committee are Sean O'Flynn of the Ontario Federation of Labour and Jim Lear of Wimpey, as well as someone from our communications department. I hope the balance you so diligently and appropriately sought can be achieved through those mechanisms. We will have to wait and see,

but I think it is a very responsible way of trying to deal with the issue.

**Mr. Martel:** I have two other issues. The training courses: I was dismayed when I found out, for example, that the Construction Safety Association said that it spent two hours out of a training course on occupational health trying to convey that not only to their management but also to their workers. If our effort is to reduce accidents and illnesses, I do not know who could learn that act or the significant parts of it in two hours in terms of trying to reduce accidents. They did not put it as a high priority and that is what bothered me about those hearings, with the amount of money being spent. There was a limited amount of time being spent on educating in a real, meaningful way the value of using Bill 70 to try to reduce accidents. There were seminars, but contrary to what the accident prevention association said, everyone knows that the labour people were not involved with the Industrial Accident Prevention Association. It just does not happen.

I am hopeful that the new chairman of the IAPA will do something with respect to that. It must change. We just cannot spend \$33 million without its having some benefits. Accidents in the past two or three years have escalated. They have not gone the other way at all. It is the same with the fatalities. If we are spending that kind of money, surely the focus and the whole mandate of the accident prevention association is to teach health and safety.

There was a study being done, an audit, but I am told the audit did not include whether they were successfully achieving that mandate. I am hopeful that since the last hearings we had in the fall, there will be a new mandate and that the audit will assess whether the money is doing the job it is supposed to do. I do not know what the board has done, but I am hopeful it has looked into that. You people, as well as those of us who were there, listened to the hearings and I think some people were really flabbergasted at what they heard.

**Dr. Elgie:** Mr. Martel, I will ask Dr. Kaegi in a moment to comment on the program evaluation. It is presently under review. In terms of the specific things you have asked, an independent consulting firm is presently reviewing the IAPA's management structure and its operations. Pending that report, final approval of its budget has not been given. In other words, the board wants to be satisfied that the IAPA is on a direction that is compatible with good organiza-



tional principles and goals and objectives and so on.

In terms of the planning and evaluation system that is presently being studied, Dr. Kaegi, could you outline what is happening in that and what you hope to achieve from it?

**Dr. Kaegi:** In the fall of last year, the board of directors approved the planning and evaluation study for the safety associations. That study is in three phases. The first part looks at needs for health and safety education in this province as perceived by workers, employers and deliverers of services. The data are in the process of being collected. I believe the data are actually complete and are now being analysed. Phase 2 of the study looks at the evaluation of existing programs offered by the safety associations with a view to seeing whether they are deemed to be effective and efficient. Phase 3 will go on, subject to approval, to look at a system for ensuring that we evaluate all programs on an ongoing basis as part of the budgetary process for the safety associations, year over year.

**Mr. Martel:** When are you going to approve the budget? Did you say before or after you have finished all this analysis?

**Mr. Wolfson:** I anticipate that analysis will be completed in time to affect the 1988 budget, which commences January 1, 1988.

**Mr. Martel:** So they are still operating basically on what they had operated on previously, in a similar vein?

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**Mr. Wolfson:** The 1987 budget for all the safety associations, except for the IAPA, was approved basically to maintain their 1986 levels of activity with an inflation-only increment. The IAPA budget was approved only on a month-to-month basis pending the program review. It is just, I guess, now being completed.

**Mr. Martel:** The final thing I want to do is try to get some clarification on clinics.

**Mr. Gillies:** Can I ask a supplementary on this? I assume there are ongoing discussions with Mr. Ramsay about your expectations of the reforms needed down there and this sort of thing. You are not just going to drop it out of the sky on them that their budget is in trouble. Are such discussions being undertaken, Dr. Wolfson?

**Mr. Wolfson:** Yes, I met with Mr. Ramsay and a group of directors of the IAPA a little over a week ago and Dr. Kaegi has met with them. The primary linkage between the board and all the safety associations, including the IAPA, is the Occupational Health and Safety Education Au-

thority chaired by Bob Bucher, who is in constant touch with the IAPA.

**Mr. Chairman:** I have a question, but do you want to finish off first, Mr. Martel?

**Mr. Martel:** As you know, Mr. Gillies and I reached an agreement that there should be a number of clinics established province-wide where workers could get an independent and proper assessment of their problems. That has to go back to the House yet for a vote. I suspect it will carry. I hope some of my Liberal friends will vote with us on that occasion as they were supposed to. We agreed not to vote on the matter until they sorted out wording that was suitable to everyone, at which stage they backed off, under some duress I am told. On the whole idea of clinics, I think the time now has been reached when that has to occur. Did you get the report yet from the good doctor from Manitoba?

**Mr. McClellan:** No, we do not have Dr. Yassi's report yet and the afternoon is starting to run out.

**Mr. Martel:** I can only go by what John Deverell reported in the Toronto Star. I think the report indicates there were 6,000 deaths a year from cancer in Ontario.

**Mr. Chairman:** Can I be helpful?

**Mr. Martel:** Yes, be helpful.

**Mr. Chairman:** The minister indicated as he was leaving that he would have copies of the report for the committee at the very latest tomorrow morning, but perhaps even this afternoon if we stay long enough.

**Mr. Martel:** The rumour indicates there were 6,000 people who died from cancer in the work place in Ontario. The law reform commission, of course, said 3,600 in Canada. The difficulty for workers is to get tested. We all know there are long periods, 20-year latency periods. As I travel around this province, I find more and more of a growing concern among working people that they do not know what is happening to their bodies from what they work with. They do not feel overly comfortable that there are not many places they can go to for tests that would indicate to them what might be happening to them.

I know I am not supposed to take a shot at McMaster, and I will not, but a point has been reached where quite a lot of people do not trust McMaster because of Dr. Muir's silliness of meeting with the company on the sly. That is the basic problem that faces all workers, that they go to a doctor and the doctor—

**Dr. Elgie:** Excuse me. If you were not supposed to mention it, why did you do it?



**Mr. Martel:** I learned that line from Bill Davis. He would say, "You know, I should not say this, but...."

Anyway, McMaster's credibility took a beating as a result of his little indiscretion. I think it is time working people have two or three clinics strategically located in this province where they can go to a series of doctors specializing in a variety of fields to try to assess what is going on with their bodies. We do not have anything in place. I guess the only province that has one funded right now is Manitoba. By the way, I do not believe it should come from the province; I think it should come from the WCB, since the illnesses and the accidents that are occurring to workers occur as a result of the work place it should be part of doing business in this province.

If we can give \$33 million to the Industrial Accident Prevention Association, surely we can find an equal amount to put into clinics and training of workers in Ontario. I know the chairman of the board does not have the authority under the act yet to allocate funds for that sort of clinic, but surely it is time that workers—I am convinced we would not have had the mess we had at Manville if we had had some doctors supporting labour at the time. Certainly, we would not have had it in Elliot Lake and at the sintering plant in Sudbury.

Perhaps the Minister of Labour (Mr. Wrye) might not have three people from his own staff who have been sensitized to isocyanates if people knew where to go for protection. I want to know what efforts are being made. Two are out of work and there are three more who—I got that from the letter from the minister so it is factual; there are inspectors who have been sensitized because the ministry does not provide them with proper equipment to wear when they are testing.

**Dr. Elgie:** I heard there was sensitizing, but I did not realize it was isocyanates. Is it?

**Mr. Martel:** I want to know if we are going to establish clinics, if the board got or is trying to get the mandate to assist in establishing clinics where workers can go to get tested properly, as a method of getting rid of some of the alarming statistics of industrial diseases we hear about. I do not think we or the board have a handle on how many people are suffering and dying from industry-related cancers. The board should be the first in the field to know, but I do not think it does.

**Dr. Elgie:** I think the industrial disease standards panel will certainly help, but it is a difficult issue to get a handle on. Every country has had difficulty getting a handle on that issue.

With respect to your strongly held view that there should be worker-controlled occupational health clinics throughout Ontario, I think that is an important public policy issue that has to be left in the hands of you as legislators. If it is your view that the board should fund such clinics, if such a determination is made, then you should say so by statute. I do not think that is a policy decision you can ask an independent corporate board to look at. It is a public policy issue for you to face, as members of this Legislature, not an independent board that has been assigned to operate the Workers' Compensation Board within the framework of existing legislation.

**Mr. Martel:** Yes, but the WCB is also mandated by its educational program to try to reduce accidents and illnesses. How can you leave such an important aspect out, as it is obviously left out now? That is where workers go to get what they consider to be an honest medical assessment.

**Dr. Elgie:** Mr. Martel, I am not saying the board opposes it. I am simply saying we believe that is a debate that should be a public debate, and not a debate the board should be involved in, important though it is.

**Mr. Martel:** Should the board not become involved, since it is the one cleaning up what is going on and trying to assist workers? Should the board not be indicating to government what it thinks it needs to continue or to improve that process?

**Dr. Elgie:** The Ministry of Labour, represented as it is today by the parliamentary assistant, has a pretty clear message from this committee of the scenario it would like to have explored, and that is the forum where you do it.

**Mr. Chairman:** Thank you. I hope the committee will indulge me in asking a question. I do have interest in this subject area.

**Dr. Kaegi:** there is one area that bothers me. On page 21, the chairman refers to the industrial disease standards panel, and the reference to that panel of exposure to uranium, PCBs, cancer and the "healthy worker effect." The one area in which I have great difficulty understanding how the board arrives at its criteria is white-hand or white-finger disease. That one drives me nuts.

**1510**

Let me give you an example. A worker can spend 15 or 20 years on heavy vibrating tools underground at Inco. That worker then, because the bonus system of mining is very hard on the worker in his late 40s, takes a job above ground. His hands start to bother him, he goes for an

assessment and the board turns that worker down on the ground that "to qualify for an entitlement there must be a history of two or more years' continuous employment with tools immediately preceding the onset of the disability."

The board does not recognize the fact that the worker could have 15, 20, or 25 years of using vibrating tools, be away from the use of vibrating tools for a couple of years and have a serious onset of all the symptoms of white-hand. The board categorically denies that claim, despite the fact that it does not have to prove one other cause of the onset of white-hand disease. I do not understand that and I would appreciate an explanation of the logic.

**Dr. Kaegi:** I am not familiar with the details of our policy on the acceptance of white-finger disease.

**Mr. Chairman:** I just read them to you.

**Dr. Kaegi:** Yes. We do accept latent periods for a wide variety of other industrial diseases, for example, in the case of cancer, where someone may have had a history of exposure and not have developed the disease for some significant time later.

I think what we would need to do—and I will give you an undertaking that we will do it—is review the literature. The acceptance of a latent period will depend on what we know about the natural history of that disease and the criteria that should lead to accepting it. I can undertake to get that for you and provide you with a reason the policy makes the statement it does.

**Mr. Chairman:** I remind you that has been done by the board. We have requested the review. The International Labour Organization criteria, for example, make the Workers' Compensation Board of Ontario look sick and mean and nasty, as my colleague the member for Bellwoods (Mr. McClellan) would say. It is beyond my comprehension. The board does not have to show any other cause for those symptoms. That is what turns my mind to glue, if not cement. I do not know how you can do that as a corporate board.

Perhaps the chairman ought not to get involved in the debate; it has bothered me for a long time. It is an ongoing problem because, even though those heavy vibrating tools are not in as much use now in the underground mines with the big mechanical drills, there are a lot of workers whose problem is getting worse as they get older. It is a very serious problem.

I understand all sorts of reasons why the board does certain things even though I do not agree with them, but this one is beyond my comprehen-

sion. I would appreciate either a reference to the industrial diseases standards panel or something from the board that provides a better explanation than you have ever given us.

**Dr. Elgie:** Or a change of policy.

**Mr. Chairman:** A change of policy would be even better.

**Mr. Martel:** That answer bothers me, because I have heard it almost as many years as I have been here. I talked to Peter Pelmeur, who, I am told, is one of the two leading experts in the world in this field. The damage is done when the workers are underground, when they are young and working with those tools. It manifests itself, he tells me, with age. So, as my colleague says, when they leave underground because they can no longer work underground, if they have not worked there for two years they are just cut off.

If the damage is done, how do you keep a policy in place where everyone knows that the blood vessels and everything else in the hands have been smashed to hell, and because they have not worked there for two years it does not matter. We heard the answer last year, I think, when we were before this committee, and the year before and the year before, and in my case for 20 bloody years.

It is not some big mystery that it happens. I think in England they now recognize white-hand in some jobs after three months of exposure, and here we are. It is a policy in my opinion designed not to give the workers benefit. We know the damage was done, we know the damage is there and we know it is not going to get any better. We know when they get older it is going to manifest itself more.

Even if you are removed from the work place, what difference does it make? The damage is done. Why do we go on playing this cat-and-mouse game about reviewing it or giving it to somebody? We do not have to give it to somebody. We have to say the damage is done and they are entitled to benefits. That is what the act says.

I have been writing to the chairman about this one. I have an appeal. I have asked Peter Pelmeur to appear as a witness, because I figure if I am going to take you on this time I am going to bring one of the world's leading experts. He has not been able to get it changed and he has been trying for four years. It is sheer bull-headedness somewhere along the way that you are not going to change this. I do not know which group of doctors has decided it, but I want to tell you it is obscene.



**Mr. Chairman:** See, Dr. Kaegi, I am not the only one.

**Dr. Kaegi:** We will take a good look at that policy and understand why it says what it does. If that is wrong, we will get it corrected.

**Mr. Chairman:** You might want to take a look at the ILO criteria.

**Dr. Kaegi:** We will do so.

**Mr. Martel:** Why do you not call Peter Pelmear?

**Dr. Kaegi:** We certainly will. I talk to him regularly.

**Mr. McGuigan:** Does that malady affect chainsaw operators, lumber people?

**Mr. Chairman:** Yes.

**Mr. Mackenzie:** Just two questions, one of them probably should go to the minister: I am still curious about the comments about lung cancer and the survivors in terms of the gold mines and the issue being a priority one. I am trying to get some idea of what we are talking about in the way of time frames before we start dealing with this seriously.

**Dr. Elgie:** In the minister's absence, I wonder if I can just comment on it from the board's perspective. The Muller report I believe came out in July or early August. Shortly after that, I wrote to the industrial disease standards panel indicating that both the board and the government would like the issue of criteria that might flow from that study to be dealt with expeditiously.

Some time went by, and I believe it was the end of November or early December when the industrial disease standards panel wrote to me, as chairman of the board, indicating that it found itself in the position that it could not deal with the matter in an expeditious, timely way and suggesting if the board still believed it needed to be dealt with in that manner it should proceed with any other route that it wished.

In December, Dr. Kaegi obtained by consultation the services of Dr. Anthony Miller, who is with the University of Toronto department of epidemiology, I believe. Dr. Miller put together a team of three persons, himself, Dr. Scarpelli and Dr. Weiss, one from Washington and one from Chicago, to endeavour to review the Muller study and literature related to it and to give advice to the board about criteria that it might consider with respect to cancer claims arising in the gold mines and mixed ore mines.

We anticipate that we will receive that report from the Miller, Weiss, Scarpelli group within a week or so. In the meantime, I have received an indication that there is a possibility that the

industrial disease standards panel may report to us some time in April. Frankly, a determination of where we go with both of those reports, one imminent and one possibly shortly, is a difficult problem we have not yet resolved.

**Mr. McClellan:** If I may, there seem to be two groups working on the issue separately and simultaneously without any co-ordination or linkage. Am I hearing what you are saying incorrectly?

**Dr. Elgie:** No. What you heard was that we heard from the panel late November or early December indicating that it was unable to address the matter in a timely, expeditious way and suggesting that the board might wish to deal with it in another fashion if we felt the matter should be dealt with expeditiously. We then proceeded to retain outside consultants, and in the meantime—

1520

**Mr. McClellan:** Yes, I understand that. Meanwhile, the industrial disease standards panel says it is going to deal with it.

**Dr. Elgie:** No, they have not written to me formally, but I have just heard they may well be further along than they anticipated.

**Mr. McClellan:** When will the left hand know what the right hand is doing?

**Dr. Elgie:** We have not heard from either hand yet, but when we do which hand would you like to hear from first?

**Mr. McClellan:** They will meet behind your back probably.

**Dr. Elgie:** The important message from your point of view and from mine is that things are moving along.

**Mr. McClellan:** Yes, right, as usual. They are moving along as usual, I would say.

**Mr. Mackenzie:** The thing that concerns me about all that is fairly obvious. It would appear, and I know everybody would deny it, that it takes traipsing down here several widows who have waited years and suffered the results, and going through press conferences and releases before we shock somebody into realizing that it is something that should have been done some time ago. That seems to be the history in so many areas.

**Dr. Elgie:** To be fair, Mr. Mackenzie, it is realized—

**Mr. Mackenzie:** I am thinking back to the first Labour estimates at which I heard the Steelworkers make a presentation back in 1976-77.



**Dr. Elgie:** To be fair, this was a study that was sponsored by the Ministry of Labour, the Workers' Compensation Board and the Atomic Energy Control Board.

**Mr. McClellan:** Which study are you talking about?

**Dr. Elgie:** The Muller study.

**Mr. McClellan:** The second Muller study.

**Dr. Elgie:** The whole Muller study.

**Mr. Martel:** But it started in 1979. Give us a break.

**Mr. McClellan:** This process started in 1977; it is now 1987. You have still got—

**Dr. Elgie:** There has never been a study of this magnitude, to my knowledge, ever carried out before. It is a massive study. Those who thought of it originally should be congratulated. It is a major piece of research into industrial disease.

**Mr. McClellan:** Yes, but look, you are down to the short strokes. You have two separate bodies doing two separate pieces of work without being connected or co-ordinated. It is preposterous. Please; what are you going to do if you get two different opinions?

**Dr. Elgie:** An interesting dilemma.

**Mr. McClellan:** Right. You will refer it to another body for continual review and a literature study, then you will send it out to a peer group—

**Dr. Elgie:** Do not be so pessimistic.

**Mr. McClellan:** I am pessimistic. I have been waiting for 10 goddamn years for you guys to sort this out corporately. Meanwhile, we have people coming down here in absolutely desperate circumstances. It is no longer tolerable to hear this kind of thing. It just is not; I am sorry.

**Mr. Mackenzie:** It would make good reading for Mrs. Larcher to send it back to her.

**Mr. Martel:** Can I say something?

**Mr. Mackenzie:** As long as you do not take too long. I have one more.

**Mr. Martel:** That is the reason one calls for clinics. When we did the cancer study that led to the workers getting benefits at Inco it took years, and the workers had no place to go. If we had not had one doctor whose colleagues called him a crackpot, Dr. Cecilioni from Hamilton—we did not even have a doctor in Sudbury to help us, and Cecilioni was crazy, except Cecilioni proved to be right. We started out with three years' exposure, then two years' exposure, then one year, and now it is down to three months to have benefits.

When do we get a handle on what happens to workers and why? It takes too long; far too long. You have to fly by the seat of your pants, as we did then, with people making wild allegations, supposedly. None of us were medical people—my colleague the member for Nickel Belt (Mr. Laughren) was doing that, along with our colleague and friend Bud Germa—but it took us years. This one is 10 years now, and we still do not have a decision. It might be fine work, but I want to tell you, for those families out there suffering all that fine work does not mean much. Mrs. Larcher is 78. She will be dead before you get around to compensating her.

**Mr. Mackenzie:** She is 83 now and still fighting.

**Mr. Martel:** It is just too time-consuming. That is why you need some clinics, Mr. Mackenzie, and you should be fighting for them.

**Mr. Chairman:** Mr. Mackenzie, you have the floor.

**Mr. Mackenzie:** I almost hate changing the tenor of this, but one of the things that concerns me also is that we asked when we were going through the report, the recommendations made and the responses to them from last year, for the figures in terms of the worker advisers and what kind of case load they are carrying. I have heard some concern expressed in my own area of Hamilton about the increasing case load. I would like to know if we know just how many cases the worker advisers are now handling and at what rate the case load is increasing.

**Dr. Elgie:** I think the worker adviser appears before you tomorrow.

**Mr. Mackenzie:** It may be before us tomorrow.

**Dr. Elgie:** The Minister did refer to that in his statement, Bob.

**Mr. Mackenzie:** I know he did.

**Dr. Elgie:** But I do not have any other information.

**Mr. Mackenzie:** He did not give us the kind of a case load that is now developing.

**Dr. Elgie:** No, I do not have that.

**Mr. Martel:** Have you got the case load carried by your rehab officers in the north?

**Dr. Elgie:** I do not know. Do we have that information, Dr. Kaegi or Arthur?

**Mr. Chairman:** Mr. Darnbrough is a familiar figure to most members of the committee.

**Mr. Martel:** Oh, you know him?

**Mr. Chairman:** Oh, we know him very well. We are not close but I know him very well.

**Mr. Mackenzie:** There is always hope.

**Dr. Elgie:** There is hope for one of you.

**Mr. Darnbrough:** The occupational rehabilitation counsellors in the north at the present time are carrying case loads above 90, approximately 95 on average. Some are in excess of 90.

**Mr. Martel:** In excess of what?

**Mr. Darnbrough:** In excess of 90.

**Mr. Martel:** What about 149 for one case worker? How would that grab you?

**Mr. Gillies:** It would be in excess of 90.

**Mr. Martel:** How could he ever—let me be quite frank.

**Mr. Chairman:** Well, Mr. Martel, I will put you back on the list.

**Mr. Martel:** All right. I just—while you were on the numbers game—

**Mr. Chairman:** Right. We are off the numbers game. Mr. Mackenzie, are you finished for the moment?

**Mr. Mackenzie:** Yes, I just want to make a point, that I think one of the positive things is the workers' adviser and it certainly has helped in our case load, although what disturbs me is that we are still getting a hell of a lot of cases and the legal aid clinic in our community is getting a lot of cases, as are others. I would like to know what kind of a case load those workers are now carrying and at what rate it is increasing.

**Mr. Chairman:** Okay, Mr. Pierce?

**Mr. Pierce:** Thank you, Mr. Chairman. Dr. Elgie, I have just a couple of questions in response to your comments, your text. On page 9 you refer to, at the bottom of the page, "...the 15 communities across the province with the possibility of providing local medical rehab services to the workers." Could you give us an idea of the location of the 15 communities?

**Dr. Elgie:** Dr. Kaegi, would you come up to the table, please? Dr. Kaegi has been involved in this, along with Dr. Mitchell, over the past few months. We have been endeavouring to find ways of purchasing rehabilitation service closer to the worker's home, where that can possibly be arranged, and that has been one of the projects that has been under way now for several months. Dr. Kaegi can perhaps give you an update on where we stand on that.

**Dr. Kaegi:** We are apparently in the process of discussion at various stages with 15 different agencies in communities in Ontario. I can go

through them quickly, if you would like. The first one is in Toronto. The second one, in fact the next three, are in Hamilton, all operated out of different hospitals in the Hamilton area, loosely linked so they are providing somewhat similar programs, but in fact distinct.

There is one in Ottawa, through the Royal Ottawa Regional Rehabilitation Centre. We are negotiating for a Windsor rehabilitation program. We have one at the Chedoke-McMaster Rehabilitation Centre. We have three units in Thunder Bay, one headed up by an orthopaedic surgeon and one by a general surgeon. There is one in London, through the University of Western Ontario, and we have been working, over the last I guess eight to nine months, quite closely with the Manitoulin-Sudbury District Health Council to look at assisting that community to develop an early rehabilitation program.

In addition there are three groups that are working to look at whether they could provide an advanced rehabilitation program which would offer both physiotherapy, occupational therapy and psychological assistance to workers, particularly those with chronic pain syndrome.

**Mr. Pierce:** Could you, Dr. Elgie, give me an idea of how far advanced we are? Certainly my major concerns are the ones in northwestern Ontario, because I see a number of compensation cases travelling all the way from the west end of the province to Toronto to have a doctor look at them for 15 minutes and put them back on a plane and send them home again after three or four days in Toronto.

I know that a number of those workers are suffering because of back illness or pain, and yet they are subject to that kind of transportation. They know, and certainly others of us here know, that examination could be done locally, or if not locally the greatest distance could be to Thunder Bay. Maybe you can give me an idea of where we are with the program. Is it advancing rapidly or is it just slowly moving along?

**1530**

**Dr. Kaegi:** We are actually very pleased with the progress that has been made in this area, because the negotiations really only got heavily under way since the end of last year. In Thunder Bay, which is the area you are particularly interested in, Mr. Pierce, negotiations are nearly complete on a program with Dr. Jack Remus. A program decision has been made to delay negotiation on the program with Dr. Porter for the moment until the other program is established—that is with the agreement of Dr.



Porter; and at the Hogarth Westmount Hospital we just received their proposal last week.

**Mr. Pierce:** Is there any chance of outreach from those 15 communities? Could the one at Thunder Bay outreach to a community like Marathon or Kenora where some of those services could be provided as well?

**Dr. Kaegi:** That would be our intent in the longer term, because the whole thrust of this program is trying to bring to injured workers intensive, comprehensive, competent services as soon as possible after the onset of injury, and as close as possible to the home of the injured worker.

We are not yet sure, obviously, that this type of approach works. Our program is to introduce these programs. They are independent programs, paid for by the board, but operated independently throughout the province. We are evaluating them over a one-year period, and we would use that information on which to base our decision on whether to expand that service based on the results of that evaluation. We really have our hands full with 15 units.

**Dr. Elgie:** I would not think that in the short term I would see it expanding out of Thunder Bay. We cannot direct providers what to do. Second, they realize it is under a period of assessment and evaluation. In fact, I do not think anyone can predict at this time the future for it.

**Mr. Pierce:** At the top of page 15 you say, "Regionalization has aided in this effort by reducing current claim caseloads at the Toronto head office, bringing to more than 40 per cent of the number of cases which will be handled outside of Toronto." Has that meant any reduction in your Toronto office?

**Dr. Elgie:** Do you mean in the number of employees?

**Mr. Pierce:** Yes.

**Dr. Elgie:** First of all, the caseload reduction program that was approved by the board was to go in tandem with the opening of the regional offices because, frankly, we had no way of predicting just how many, if any, employees from the board would apply to move to the new regional offices. As it turned out, there were not as many applications as we anticipated to move to regional offices, so more local hiring was done. So the surplus then, or the excess number of people who did not apply, will contribute to the case reduction program at head office that will take place.

There is a fairly significant turnover rate of claims adjudicators annually, so changes can be

achieved very readily at head office. But, yes, reducing the claims load at head office gives us the opportunity to reduce the caseload there as well as caseloads in the regional offices; we are left with enough people in place at head office to do it.

**Mr. Pierce:** On page 22 you made reference to the worker and employer adviser. To my knowledge, the employer adviser is still—you are only able to contact the employer adviser by calling Toronto first and being referred to a Sudbury office. Is that right?

**Dr. Elgie:** They will be here tomorrow, Mr. Pierce. You will have to check with them. They will be appearing before your committee tomorrow. I do not know the answer to that.

**Mr. Chairman:** There is a deliberate separation from the board and those advisory groups.

**Dr. Elgie:** Yes.

**Mr. Pierce:** The only reason I bring it up is because it is mentioned in your comments. I thought maybe there was something we could learn from that.

Experience ratings—

**Dr. Elgie:** Where are you, what page?

**Mr. Pierce:** On page 26. I am not sure that you went into it in any depth. I would like to discuss it with you. I am having a serious problem in the woods industry with respect to the experience ratings. I know the experience rating program was brought into being as a result of consultation between the board and the major producers of the woods industry. What I find happening is that the small producer in the woods industry has certainly taken the impact of the experience rating. In fact, it has come to a point where it is now threatening the small producers in the industry. A number of small producers are working without WCB coverage, contrary to regulations. I have indicated that you can experience a rating as high as \$37.80. Everybody tells me that is not true, but based on the formula that I have, a base rate of \$15.30 per hundred and an experience rating of 150 per cent of the base rate, plus the base rate, and you come up with \$37.80. Am I wrong in my calculation? Am I not doing it right? Is that a true calculation?

**Dr. Elgie:** Yes, I know that there have been concerns expressed by small operators in that industry. Maybe I could ask John Neal and Alan Wolfson to discuss the matter for you, since I know that Alan has had a meeting with them and John has in-depth, actuarial knowledge about it which he promises not to baffle about.



**Mr. Pierce:** I will not be baffled, sir.

**Dr. Elgie:** I did not say you would be. We might be, but you will not be.

**Mr. Pierce:** All I know is the statements. I do not know about the people behind them. I know what the statements show.

**Mr. Wolfson:** I will let John speak to the formula and whether those numbers are the appropriate ones. To comment on the process, there certainly have been some concerns raised in the forest products area with the experience rating, particularly from small firms in the logging industry. We met with a group in the Pembroke area in the fall and late in the fall I met with a group up in Kenora. As a result of those meetings the group itself has organized a committee to enter into discussions with the board on ways in which we can revise the experience rating program to take into account the concerns of small firms. Some of those modifications have already been put in place. Mr. Neal can speak to those, but we will be continuing discussions over the next six months about the viability of the experience rating plan in the forest products sector simply because of the problems that you allude to, Mr. Pierce.

**Mr. Neal:** The numbers that you have heard were indeed correct back when the first issue of the new plan was made a year ago. The concerns of the small employers in the logging industry were brought to our attention last spring. We were immediately concerned and the graphic example is that in a few cases, one in particular, one injury was the cause of those charges. Just to emphasize the significance of the problem, it was one injury, and in fact stats being what they are that was the only injury that firm had ever encountered on its record. It was a serious injury, and it caused a maximum surcharge and a maximum premium for the next year. At that point the limits were indeed that your surcharge could be 150 per cent of your initial charge and the next year's premium could be 150 per cent of the average premium. The statements are correct as the plan was then.

The moment that came to our attention we instantly said we will review and we will do something about it. Within about six weeks we had reviewed it and come up with a solution. We worked diligently with both trade associations, because we have two trade associations involved in the logging industry. We have the Ontario Forest Industries Association and the lumbermen. We got their written requests for a specific change to the plan. Those requests were implemented and money, where necessary, was

returned to the employers or their outstanding bill was shifted. The limits are now that a firm cannot receive a surcharge that exceeds twice their refund. In the size of firm that you are talking about, as the maximum refund is 20 per cent under no circumstance can a small employer paying us less than \$40,000 a year pay us more than 40 per cent extra. Those changes have been in place for over a year now. That was done retroactively. Obviously no employer got his refund reduced, even though obviously there was a small loss of revenue for the board. I would suggest to you the board turned on a dime the moment it knew about the problem.

**1540**

**Mr. Pierce:** You referred to the two groups that are represented. What about the independent logger group that is out there with two, three and four employees? Who is representing them?

**Mr. Neal:** I would suggest to you for any organization that has four million clients on the labour side and 200,000 clients on the employers' side, that one clearly cannot do business in depth with everybody all the time. It is difficult for us, but we have indeed recognized the problem in the logging industry. There are many small employers in the industry who would be eligible to belong to the lumbermen's association. I think most of them feel that the Ontario Forest Industries Association would not be an appropriate body to represent them, because they would be wanting to represent themselves against the big boys in any event.

We listened to their delegations and, as Dr. Wolfson has said, we have said, "If you want to put a few of you together to work with us, we would be delighted." But obviously we cannot deal with each of 1,000 small employers in the logging industry. There is obviously a point where we have to ask people, "Would you get together with some of your colleagues and we will work together?" That is an open invitation.

**Mr. Pierce:** As we know, in the logging industry today there is more direction being made toward the independent logger as opposed to the large conglomerate producer of wood. So there are more small producers collectively coming to the front than there are major producers. I think that somewhere along the way we are letting these people fall through the cracks, and in fact they become the victims of a formula that does not apply to the type of industry they are operating.

**Mr. Neal:** I do not think that is a fair comment.

**Mr. Pierce:** Let me just say this to you; it may not appear to be a fair comment, but when I am faced with as many employers coming into my constituency office with Workers' Compensation Board problems as I am employees, then I think the comment is a valid one. When I am looking at statements that are being processed through WCB offices, through your accounts payable department, that say: "As a result of your experience rating, you owe to the WCB \$15,728.35. Payment will be received within 15 days or a penalty will be attached," I think it is a fair comment. There are some people out there who are slipping through the cracks and are not being addressed by the present formula.

**Mr. Neal:** What is not being addressed?

**Mr. Pierce:** The fact that these people operate under the premise that they are paying the rate for coverage to the WCB and then find out, because of an accident that took place on the job two years ago, they are now being assessed because of their experience rating.

**Mr. Neal:** There are two or three issues there. First, industry lobbied long and hard for the opportunity to have a pricing mechanism that would encourage them to reduce accidents in this province and encourage them to rehabilitate their injured workers through the entrepreneurial technique of fiscal sticks and carrots. That request came long and hard to us from the employer community. I would suggest to you that it comes from small industry. I believe there is a poll by the Canadian Federation of Independent Business in which 60 per cent or 70 per cent of those small businessmen voted for mandatory experience rating. I believe that is the type of information that is floating around the system, that is coming from small business.

**Mr. Chairman:** As did two out of the three parties in this Legislative Assembly.

**Mr. Neal:** The problem always is that when one has a plan that gives money back to three out of four and surcharges one out of four, one tends to hear a great deal from the one out of four and not too much from the three out of four. That is a fact of life.

It is not normal for a charge of \$15,000 to result from one claim. If it has, that claim itself is costing the industry in total probably up to \$100,000. That firm's peers are still being asked to subsidize to the tune of many multiples of the surcharge when we are dealing with small firms.

**Mr. Pierce:** That firm is also paying the minimum rate of \$15.35 per 100 as well for being in the industry. To say that it is only being

subsidized by the remainder of the peers is not actual fact, because they are paying the rate for that insurance as well.

**Mr. Neal:** What I am saying is that firm's claims are going to cost the system well in excess of \$100,000. Even so, instead of paying their usual \$15,000 or \$10,000 towards that cost, they are being asked to pay \$25,000. They are not remotely close to self-insurance; their peers are still heavily subsidizing them.

The plan has been carefully designed to ensure that. A great deal of care and attention has gone in to making some money change hands for the small employers without imposing undue burdens, if you wish to think of phrases that appear in the act. Remember, the plan is called experimental. The plan is being refined right now, particularly to simplify it. One major concern is that people do not understand the complex formulae. A major simplification is under way. That in itself will help, because I think many of the problems are the complexities causing the employer not really to understand what is going on and, therefore, if you do not understand something you assume you are being hurt and discriminated against.

**Mr. Pierce:** It would certainly appear that the only thing the employers understand is the bottom line of the accounts payable, which says that this amount of money is due on the 15th of the month and anything beyond the 15th of the month, if it is not paid, will initiate a penalty.

**Mr. Neal:** That is right.

**Mr. Pierce:** That is the bottom line they understand; they do not understand the complex formula that is used to arrive at that figure. When they see a claim statement that says the employee who had the accident received something like \$18,000 and they are required to pay \$15,000 towards the cost of the accident, then they do not understand that formula either.

**Mr. Neal:** If they had read their full statement, they would have seen that claim cost \$50,000, \$60,000, \$70,000 or \$80,000, because the claim costs far more than what we have already paid to the worker. As we well know, an injured worker's benefits do not last for only a few months.

**Mr. Pierce:** The full cost statement for the claim I saw was \$30,000, and the amount that was being required by the employer was \$15,000 plus change.

**Mr. Neal:** If you would like to share that with me, I would be very pleased to show you and



your constituent, or whomever, the full story. I will be delighted to share that with you.

**Mr. Pierce:** I would be more than happy to share it with you, sir, and we will do that. I just happen to have that large file in my office.

**Mr. Taylor:** And what are you going to do about it? That is what he wants to know.

**Mr. Pierce:** You say that it is an experiment. I can only say to you, being in the field and knowing a number of bush workers and people who are working in the industry, that something is lacking, because those people are now, and I say now, working without WCB because they cannot afford to pay the premiums. In some cases, they are insuring themselves with private companies. In other cases, they are prepared to take the chance, because what they see at the end of the month or at the end of the year when they receive the board's statement, if there has been a claim, is they are compelled to pay the claim amount as well as to pay their premium on top of that. That does not indicate to them that they are buying insurance; all they are doing is contributing money to the cost of administration.

I can only say that in your review of that program you should consider those people who are now working out there without any insurance at all. Further, I noticed in Dr. Elgie's comments, it would appear that you are considering very shortly moving into other areas with the experience rating program. I would ask you what areas you are contemplating moving into and if you are really as aware of what some of the problems are as are some of the industries that have already experienced this experiment.

1550

**Dr. Elgie:** It is not a matter of the areas we are planning on moving into; it is a matter of who has applied to enter. It is not a mandatory law. Anyone who approaches us is the group we are looking at, not groups that we approach. I do not know what number of people have already approached us. How many groups, John?

**Mr. Neal:** About six or seven industries have approached us already with an interest to attempt to go through a process that will grant them entry at the beginning of 1988. One of the steps that the board has taken is to ensure that every employer in a rate group will be contacted by mail twice during the process of deciding whether an industry wishes to proceed, including requests to attend meetings and requests to write us on whether they support the program, changes they would suggest or dissents.

Those things have basically been put in place for all industries. The forest industry came in first. As with most new programs, we learned a lot from what we did with the first group. A much more in-depth consultation with all employers, and in particular with the small employers that tend not to come and lobby, has been put in place for the other six rate groups that are in, let alone the ones that are trying to come in in the future. I think we have learned well.

**Mr. Pierce:** I recognize that certainly some of the major producers, and I am talking about the major producers in pulp and paper and mining, have recognized that as they continue on in the new experience rating schedule they are experiencing reductions in their compensation rates. Some of the mining companies, such as Inco, have experienced a reduction. Great Lakes Forest Products has experienced a small reduction in the woods industry.

What we have to recognize as well is where those industries are experiencing reduction their ability to mechanize and modernize their woods operation is much greater than that of the small producer. The major paper companies, and I refer to the paper companies because those are the ones I am concerned about, will move in fully modernized equipment which is not anywhere near as labour-intensive as that of the small operators.

Because of the lay of the ground, they can harvest that wood with machinery. The small operator is still required to get off his machine to do his own choking or have a guy behind him doing the choking and pulling in the logs. As a result, his work is much more labour-intensive, and by the nature of the job he is much more prone to accidents. The major companies have got away from that type of harvesting because they are capable of providing the type of equipment necessary for the operator to sit in the machine, strip the tree, snip it off, lay it down on the ground and never get off the machine. They experience a lower rating. The one that is still required to go out and cut the timber in the ravines and the high hills and use the old method of cut and skid will experience higher ratings because he is in a high accident area.

**Mr. Neal:** We try to make sure we understand those things. I personally spent almost a week up north last summer with the logging industry to try to understand these very things. Obviously, the actuary and his numbers can do all sorts of interesting things, but if you do not relate it to people it does not mean anything in the end. I think there has been a good reach out.



There are thoughts that maybe small employers should be excluded. Those sorts of things are being looked at. It is not a simple problem. I can assure you that the three out of four small logging firms that got a refund are not going to appreciate a removal of the plan. It is not a simple issue.

**Mr. McClellan:** I know other colleagues still have items to raise because they cannot be here in later sessions, so I will not take too much time.

**Mr. Chairman:** Are you going to be elsewhere?

**Mr. McClellan:** I would not know. You may want to ask them

**Mr. Martel:** Our duties are taking us away.

**Mr. McClellan:** Right. I wanted to raise some concerns about what is happening with the Downsview rehabilitation centre. I will try not to be too extravagant in my language for a variety of reasons.

**Dr. Elgie:** We will still recognize you, though, will we not?

**Mr. McClellan:** Yes. Do not provoke me.

I really do not know how to deal with this. It really is so strange. As a result of this committee's report, which we are really debating here, this 1985 report, the ministry set up a task force on vocational rehabilitation services under the co-chairmanship of Wally Majesky and Maria Minna, which had begun to work and was organizing hearings on the adequacy of the board's rehabilitation services, when in October a number of very serious, and I may say documented, charges of inadequacies were levelled against the Downsview rehabilitation centre. I have a number of concerns about the way that was handled which I want to raise here today. We hope we will not go through that kind of process again.

Ray Lebert from Windsor had documented, on the basis of extensive discussion with a number of former patients of the DRC, that there were a number of problems and these problems were recurring time after time. He documented these concerns, listed them, had a group of people whom he was representing who were concerned about what was happening at the DRC and presented them publicly and privately to the appropriate officials.

The minister's first response was to insult Mr. Lebert and to question his veracity and the validity of the charges. I have all the press clippings here. It is a matter of public record that the minister's first response was to shoot the messenger. After the press reports, which I will not go into, which I would say were lurid in some

cases and extensive—this file is mostly press clippings—the minister's second response—and I am not sure whose initiative it was, which is why I am raising it with the chairman now—was to appoint the director of the Downsview rehabilitation centre to conduct an investigation into the validity of the concerns that had been raised.

**Mr. Martel:** Count Dracula.

**Mr. McClellan:** This is the first problem. It is just inappropriate. That is all I will say. It is just totally inappropriate and unfair, even to the director of the facility himself, to ask the director of a facility to conduct an investigation into major charges, allegations and accusations against the adequacy and competence of the facility. I hope the chairman has learned from all of this, and that the ministry and the government have learned how inappropriate it is ask an administrator to conduct an investigation into the adequacy of his or her own facility. That is the first point. I hope we do not have any debate on that. I am sure subsequent events have demonstrated that was a serious mistake.

Then the Majesky task force indicated it intended to deal with the problems at Downsview as part of its overall review. In fact, members of the task force are saying that the hospital is a concentration camp, a prison where clients are processed like cattle.

**Dr. Elgie:** Nothing very provocative, thoughtful; no conclusions reached.

**Mr. McClellan:** No. I am just reading a press report at random.

**Dr. Elgie:** Still in the stage of reviewing independent views.

**Mr. McClellan:** That is right.

**Mr. Taylor:** Did they quote you accurately?

**Dr. Elgie:** What?

**Mr. Taylor:** I hope they quoted him accurately?

**Mr. McClellan:** I have no idea.

1600

The co-chairs of the task force indicated that they intended to deal with this matter. Before they knew what was happening, the ministry had appointed a third group to investigate the allegations that were raised by Mr. Lebert. At this point, we had three separate task forces investigating the same set of problems. It is quite unbelievable. We have the internal investigation by the director of the hospital, the announcement of the Majesky-Minna task force that they are investigating the allegations, and third, the task force under the direction of—

**Dr. Elgie:** Dr. Vickery Stoughton.

**Mr. McClellan:** —Dr. Vickery Stoughton, who ultimately was given the responsibility. I would say the behaviour of both the compensation board and the Ministry of Labour was clownish at best in having, at the time I was raising the issue in the House in November, three separate task forces running around chasing their own tails, trying to decide who is on first. It turned out to be Dr. Stoughton. That is the second set of concerns about how ludicrously the government responded to the crisis at Downsview.

A third set of concerns has to do with how the government chose to interpret what was happening because of the way it was reported. Some of the reports were quite serious and some of them were of the nature of sex, drugs and rock and roll found in the Downsview centre. The ministry chose, for reasons that escape me, to interpret Mr. Lebert's concerns and the concerns of his group as having primarily something to do with patient misconduct, with the sex, drugs and rock and roll theme being the principal concern raised here.

Of course, that was a complete and utter distortion of the kinds of concerns Mr. Lebert and his group were raising. I am sure everybody in the ministry and at the compensation board knew that. Yet I think it was the minister who, in his opening statement, referred to the ongoing investigation into allegations of patient misconduct at the Downsview rehabilitation centre. I had met with Mr. Lebert before this matter was raised in the House and he shared with me his concerns. I have the notes of that meeting. It is a list of 10 points. I am going to run through them very quickly.

They include consistent patterns of doctors dismissing the validity of disability; types of inappropriate questions having to do with injured workers' sexual lives; problems with physiotherapists pushing injured workers beyond their limits of capacity; fear of reprisals for patients who "stepped out of line"; lack of privacy, by which they referred to open showers, open wards and no curtains around the beds; lack of any meaningful activities in the evening, nothing to do in the evening; inappropriateness of many so-called rehabilitation programs, and the case that was cited was a 260-pound iron worker being given macramé to do as the principal rehabilitative activity; the problem of drugs both from the dispensary and off the street; the regimentation of the injured workers as they were marched through the cafeteria in a military fashion; if they

were late for classes, they were docked benefits; and, finally, inappropriate medical treatment, including some remarks about one doctor using a needle stuck in an eraser.

This material was all provided to ministry and compensation board officials, and to describe that set of concerns narrowly as having to do with criminal misconduct on the part of professionals or with patient misbehaviour misses the point so completely and utterly that I do not know what is happening.

It is obvious that a large number of people who have been patients at the DRC feel the program is more or less useless, silly and a waste of time, that the behaviour there is inappropriate and that people are not treated with the kind of respect and dignity they expect when they go to a hospital. Most of us when we go to a hospital are not treated like that.

It is not like any other hospital in Ontario, and the chairman knows that as surely as he is sitting there. It is not run like any other hospital in Ontario. The question Mr. Lebert and his group have raised is: "Why not? Why is it when injured workers go to the compensation board's hospital, they are not treated with the same kind of dignity and courtesy and with the same level of professional competence that other citizens expect in every other hospital?"

That is the point at issue here. It did not need three task forces and the whole game of "Who's on first?" It did not need personal attacks on Mr. Lebert for having the audacity to raise these issues. It did not need the distortion of the issue as a way of both the board and the ministry getting themselves off the hook.

I am sure everybody, privately if not publicly, recognizes the difficulties confronting the DRC. It is no secret and it is nothing new. When the opportunity came to deal with these problems, they should have been dealt with frankly and openly, instead of the run-and-hide and coverup approach, which was the way I interpreted both the ministry and board's responses to these problems.

We will get some recommendations from Dr. Stoughton. I am concerned that his terms of reference are much too narrow to permit him to address some of the broader issues that have to be addressed. I am not sure whether the Majesky-Minna task force has been cut off at the knees in terms of its ability to deal with the DRC, but I think it has.

I do not know where the answers are going to come from. I do not think it makes any sense for



the compensation board to be running its own hospital directly.

First, I do not understand why we need a separate hospital to provide occupational health medicine and all other hospitals do not have the responsibility to provide it. I do not know why, in an industrial society in the late 20th century, occupational health medicine is so rare that it has to be located in a single facility in Metropolitan Toronto as opposed to being a regular part of the regular practice of medicine in each and every hospital. Maybe I am missing something here, but I do not think I am. A lot of the concerns raised time after time by my colleagues from outside of Metro have to do with the fact that we have one facility in Ontario that specializes ostensibly in health medicine—although in fact it does not—and that lets everybody else off the hook.

Second, I do not think the board should be running its own hospital. It gets into a hopeless conflict of interest between the demands of treatment and the demands of benefit control, and we all know who wins in that conflict: it is the demands of benefit control. The DRC is regarded by injured workers as a benefit control facility. We all know how you get to the DRC. You get there when the board's claims department decides you have been on benefits for too long and it is going to send you there to find out why you have been on benefits for so long. Then, lo and behold, the medical opinion comes down: "You should not be on benefits any more. So long. Sayonara." That is what happens in my experience. That is how people get there and that is what happens to them when they get there. They are sent there to be cut off.

Right off the top of my head, until such time as we have specialists, practitioners and rehabilitation facilities in all of our hospitals that can deal with the needs of injured people, I do not know why people are not exploring at least turning over the Downsview centre to a community board. You simply have to get away from the relationship between this health facility and the control function, which predominates.

**1610**

I will not belabour the point. I know other people want to speak. I do not know whether the chairman has a copy of the brief that our caucus prepared for the Majesky-Minna task force; if not, I will share one with him.

**Dr. Elgie:** I have not seen it. I am sure Dr. Kaegi—

**Mr. McClellan:** I would like you to read it and to reflect on it a little bit.

**Mr. Gillies:** I wonder if I might have the opportunity, with Mr. McClellan's indulgence, to add a couple of points in the same vein prior to the response.

**Mr. McClellan:** I have said what I wanted to say. I would like to have some response from the chairman about the nature of these various task forces that have been appointed and about who is doing what, so that at least I have a clear understanding of who is responsible between Dr. Stoughton and the Majesky-Minna group for coming up with some proposals to reform the DRC.

**Mr. Chairman:** Just before the chairman does that, Mr. Gillies, if your questions are really supplementary rather than a major new initiative, we will go ahead with them.

**Mr. Gillies:** They are. Rather than covering all the same ground that Mr. McClellan just did—because I want to associate myself with the remarks he just made, and we expressed concern on a number of these same points in the House at the time of the allegations coming forward—I want to add a couple of other points that were of great concern to our caucus.

At the time of the allegations being made—I would not want to prejudge whether they were all founded, and I do not think that is what we are about today anyway—the news reports of these allegations caused a great deal of anguish for a great many people. I remember that, within days of that happening and the whole matter blowing up in the House, I had a young couple come into my constituency office, a young man in his early twenties and his wife. He was very upset, and she was more upset, because he had to go to the Downsview hospital. He had his letter telling him when to report, within a matter of days, and he was going to his member of the Legislature and saying: "Is this true? I don't want to go there. My wife is upset. The whole family is upset."

When we called the board's worker for this person, we got very little by way of response. That is why we were saying in the House that we felt, at the time the allegations were made and the investigations were announced by the minister, that alternative arrangements should have also been announced for claimants who did not feel comfortable or wish to go to that facility at that time. That was not done, and I feel it was unreasonable. It caused him a lot of anguish.

All I was really able to tell this constituent was, "If you really don't want to go, don't; but perhaps the better course of action would be to report and go through the assessment, and if any of the types of things that are troublesome to you



that have come forward in these allegations occur or impact on you, then get the heck out of there and call me right away and I will call the minister." Really, that was not that good a response.

I just wonder why the board and/or the ministry did not react more quickly in saying to claimants who do not wish to go to Downsview, "Until this matter is cleared up, we have made the alternative arrangements for you to receive assessment or treatment in the following facilities in the province." I really think that would have been an appropriate response, and I would like to hear the chairman's response to that.

**Mr. Chairman:** Perhaps you could deal with both Mr. McClellan's and Mr. Gillies's remarks.

**Dr. Elgie:** I wonder if I could deal with Mr. Gillies's question first by asking Dr. Kaegi to come up and comment on the ways that the board in Downsview dealt with the matter of those who were concerned about issues that have been raised regarding Downsview, whether they should be attending and whether any other options were put to them. Would you review that whole matter, please?

**Dr. Kaegi:** I do not have files with me, so I have not got the exact dates, but very shortly after the allegations were made, claims adjudicators were advised that any injured worker who had concerns should phone the Downsview rehab centre. At the centre itself, the assistant director of medical services, Dr. Ken Paisley, took personal responsibility for receiving and dealing with all those calls and explaining to workers what was happening, what they might expect in terms of the services that were offered there and the protection of their rights at the centre. We did try to make that clear.

In addition, we did reduce the case load at Downsview so that injured workers, particularly at that time, could get more personalized and in-depth attention. To do that, the section medical advisers sought alternative methods of providing both assessment and treatment in the injured worker's own community, working with the injured worker's own treating physician. That was successful to a very large degree in terms of reducing the case load.

Dr. Paisley dealt with a substantial number of injured workers who had concerns, but to my knowledge fewer than 10 actually decided, following those discussions, not to come to Downsview. Those are only the ones we know of; undoubtedly there were other individuals we did not hear about, but we did have that mechanism in place.

**Dr. Elgie:** The early admission program was cancelled towards the end of December, as I recall.

**Dr. Kaegi:** Yes. At the end of December the early admission program was cancelled, and a clear decision was made to disengage entitlement decisions and the claims adjudicatory staff that had been located out at Downsview from the process, so that we clearly separated the assessment and treatment modality from the entitlement to benefits modality, because I think that was accepted by all of us as a significant problem.

**Mr. Gillies:** I am pleased that some arrangements like that were made. I guess the problem is that I am not convinced that all your staff were aware, because in this case in Brantford we called the worker for this claimant who said, "Yes, we are aware of the fuss in the press and so on, but if you have been told you should be at the hospital on such-and-such a date you had better go." Maybe that was an isolated case of an employee who was not aware.

**Dr. Elgie:** I hope it was, because our staff was told there was to be no disentitlement because of anybody being unwilling to go to Downsview.

**Mr. Gillies:** In fairness to the centre, the constituent did not call me back; I have to assume that he went, received the treatment and had no complaint to make. But it was the anguish before the case that was of concern to me.

**Dr. Elgie:** Mr. McClellan, there are a lot of points you covered, and I must confess I have not written them all down, but I will review your remarks and if there is anything to add to the discussion we have, I will be pleased to correspond with you on it.

It is a complex and difficult situation. You know as well as I do the history of Downsview. It has a proud history and tradition. It started out being a pioneer in the area of spinal cord injuries, for example. There is a lot of great history and tradition there and a pride in the place that a lot of people have.

Its role has changed as the province has changed. It was built in the 1960s, at a time when there were still 40-bed wards in some hospitals I was training in, and it did not evolve in that era of change into what the public expected from a hospital or even from a residential facility, which is what most of the patients are there for. It is not a true hospital setting but a residential setting.

Its quasi-militaristic setup and the lack of privacy had been a concern of mine as well. Shortly after getting there, particularly when Dr.

Kaegi joined, we set out to correct that and there now are curtains and four beds in a room instead of eight. A number of changes have been made but that does not change the basic question you are asking about the future role of Downsview.

**1620**

I am sure the members of the board of directors would recall that in the early days, when we talked about Downsview, I made it clear that I thought we had to look at ways of providing services closer to home, because to disrupt people from their families and support systems is a very difficult thing to put them through, particularly if it is going to be for a long period of time and mean bringing them into a city and a setting where they do not have the normal relations one might have in one own's community and their own support programs. We had to look at providing things closer to home.

I also said we had to look at what were the core functions Downsview could do that could not be done as well or better somewhere else. When Dr. Kaegi joined us, that was the sort of direction and thrust we were talking about and our intention was to proceed to carry out that kind of review of the future role and function of Downsview.

As so often happens in the world of politics that you now live in and that I formerly lived in, circumstances can often overtake the best intentions people have, and that is what happened here. Circumstances overtook our own thrust to review the mission and future role of Downsview, but I do not think it is unhealthy it has happened that way. I hope the process under way will facilitate what we would have been doing in any event. Our staff put together a brief that was given the Stoughton commission as to what the staff feels in terms of the future of Downsview. I do not look on it as a bad thing that happened to us. It certainly has speeded it up and that is good.

There has been a plethora of studies around. One has to look at the timing of events. First, as I recall, the original complaints were in the early fall, long before the interim report from the Ontario Task Force on the Vocational Rehabilitation Services of the Workers' Compensation Board. It was in response to this that a lawyer from head office and the human rights co-ordinator from head office joined with Dr. Kummel to review some of the complaints that were made. This was not to review complaints of allegations of misconduct or inappropriate treatment by treating physicians or others, because we did not feel that was our mandate, but rather with respect to other complaints made by patients. That was under way long before the

vocational rehab task force released its interim report.

At the same time, because there were some allegations of activity that one might consider to be criminal, namely, drugs, prostitution and other things, I did not feel one could ignore those things. On the basis of those allegations, the Metropolitan Toronto Police was asked to investigate any criminal activities that might be taking place. I think one can understand that and one would be surprised if the police were not asked to investigate that.

However, Mr. McClellan, I do not think all that should distract us from the fundamental thrust, and that is the Stoughton review committee which is looking at the role and mission of Downsview and where we should be going from here. I look on that as the most substantive thing that is happening right now. We look forward to receiving the report and reviewing it.

I know that does not answer all your questions. I will be pleased to elaborate now on specific matters you want to raise or I will review your remarks in greater detail and comment by correspondence to you.

**Mr. McClellan:** I would like to have an understanding as to whether you understand at this point that it was not the greatest idea in the world to establish an internal review when what was being called into question was essentially almost everything.

**Dr. Elgie:** When you have the director of a hospital who seemingly has the charge and responsibility for the conduct and care that takes place in a hospital, it is difficult to see how one can exclude the director from some significant role in evaluating how the hospital is functioning under his or her jurisdiction. To balance that, we appointed a lawyer from head office, Patricia Wellman, and an equal opportunity co-ordinator from head office, to join with Dr. Kummel and indeed to carry out discussions and meetings that took place without him being present.

But I do not think one could very well ignore a director who had the respect of his staff, and believe me, I have been out there to meet with them at times when they were very upset. To see the kind of respect the staff holds him in and then to bypass him would have created serious problems of morale. It would have been a discredit to him simply because you ignored him. That is just a reality from my perspective, Mr. McClellan.

**Mr. McClellan:** I do not think you would disagree with me if I said that if this had been any other hospital in Ontario, it would not have been



regarded as appropriate. If these kinds of allegations had been made about the Wellesley Hospital, St. Joseph's Health Centre or any other hospital, it would not for a moment have been contemplated that the appropriate response would be to ask the administrator of the hospital to head an inquiry. Whatever you have to say as chairman of the board, I do not think you disagree with me.

**Dr. Elgie:** They were not looking at the issues of mission, role and purpose, as you know. We felt the process put in place by Dr. Kaegi to review that whole issue of the future of Downsview was a separate issue that would be looked at by our own staff. The issue before us then was allegations of improper conduct that had to be investigated at the hospital. Frankly, I have difficulty seeing how you could separate the administrator from that process without seemingly condemning him and without having a serious impact on the morale of an institution when he was so respected.

**Mr. McClellan:** I do not understand how you could imagine, in response to these kinds of expressed concerns and allegations, that anybody would be satisfied except for those inside, that anybody in the general public would be satisfied with the results of the inquiry. I do not know what happens to people when they go into the corporate world of the WCB, but it has obviously happened to you very quickly. You are reflecting a corporate view that has always been so strong and pervasive that it tends to blind people to the real world. I am mystified by the organizational process that takes place within this particular public institution. It is quite remarkable.

**Dr. Elgie:** I hesitate to think that I have been blind to the needs of the system. I have clearly outlined that I thought we needed to review the role, function and future mission of Downsview, that we had to identify the core functions that could be performed there that could not be performed as well or better somewhere else, and that those were the directions we had to go in. I do not think that is ignoring the real structural and philosophical issues at Downsview.

What you and I are talking about is some misconduct that was occurring and whether the director of the hospital should have some role in looking at it. Frankly, I do not find anything obtuse or strange in believing it. That does not mean I do not respect your right to have a different view, but I do not think I was ignoring the real problems of Downsview by feeling there should be this internal review, carried out with the director having a role in it.

**Mr. McClellan:** We will have to disagree on that point. I hope that the Stoughton commission will look at devolution, or whatever you want to call it, of the hospital to a community board so that it becomes a hospital that clearly and unequivocally specializes in rehabilitative medicine, that can provide linkages with the regular hospital system and that separates itself from the claims benefits control function. I do not think there is any use for a claims operation that calls itself a hospital. In 1987, that is an anachronism that nobody wants any more.

**Dr. Elgie:** We do not disagree. That is why we have taken that function out of the hospital.

**Mr. McClellan:** You have distanced the function. You have separated the function physically from the hospital, but the hospital still receives admissions, as I understand it, on the basis of concerns that come from claims and pensions because somebody appears to have been on compensation for too long. Am I wrong? I do not think I am wrong. Then they are discharged with a recommendation that has to do with benefits control issues. The recommendation now may go to the head office instead of being given to somebody who is physically located at the hospital, but the basic function of that place is a benefits control function. Until that is changed, you are going to have an ongoing problem of credibility and acceptance. You are still failing to deal with the real issues of health medicine.

**Mr. Chairman:** There are no other comments. By the way, the clerk is distributing copies of the Yassi report for the members. I do not think you will be prepared to debate it in the morning but perhaps you will be by Friday.

The committee adjourned at 4:33 p.m.



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### Witnesses:

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 Wolfson, A. G., Vice-Chairman of Administration and President  
 Darnbrough, A., Executive Director, Vocational Rehabilitation Division  
 Neal, J., Board Actuary





# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

#### **Standing Committee on Resources Development**

Annual Report, Workers' Compensation Board, 1985

**Second Session, 33rd Parliament**

Wednesday, March 11, 1987

Speaker: Honourable H. A. Edighoffer

Clerk of the House: C. L. DesRosiers





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# LEGISLATIVE ASSEMBLY OF ONTARIO

## STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Wednesday, March 11, 1987

The committee met at 10:09 a.m. in room 151.

### ANNUAL REPORT, WORKERS' COMPENSATION BOARD, 1985 (continued)

**Mr. Chairman:** This morning we are going to hear from the office of the employer adviser. When that has been finished and there has been a chance to discuss that office's work, we will move on to the office of the worker adviser; depending on how long that takes and whether it spills over into the afternoon, we will then move on to the Workers' Compensation Appeal Tribunal.

This morning, from the office of the employer adviser, Mr. Mandlowitz is here. Welcome to the committee, Mr. Mandlowitz. I believe your statement has been distributed to the committee. Perhaps you would introduce your colleague.

#### OFFICE OF THE EMPLOYER ADVISER

**Mr. Mandlowitz:** This is Marlene Campe, who is the administrative assistant of the office.

I do not intend today to read that statement; I want to leave that with you as a background document and to speak to it just to outline some of our activities from our inception on October 1, 1985. We had an opportunity to spend a short time with this committee not too long ago—maybe it was long ago for you, but it was not too long ago for us—when we had just opened our doors and did not have much of a track record.

Let me tell you, as briefly as I can, where we have come from and where we are at. I say with a smile that maybe the committee members can tell us where we should go.

**Mr. Chairman:** We have been known to do that.

**Mr. Mandlowitz:** I remind you that the legislative authority for the office is section 86r of the act. The office is a branch of the Ministry of Labour. The act, compared to legislation in British Columbia governing its employer and worker advisers, is flexible to say the least. The BC statute provides certain directions for the service there, but in Ontario, both the office of the employer adviser and the office of the worker adviser have been allowed to evolve, and that is to the credit of the system.

If I may turn broadly to what I might call mandate, that will get me into some of our activities. The first part of the mandate, and this relates back to one of the central points in the white paper this committee looked at in 1985, was the notion of a new and independent office. We have tried to respect the independence notion very seriously. When the Toronto office was opened, we tried to reflect that independence in our geographic location, which was at 101 Bloor Street West. It is up the road from the board and about 10 minutes by public transit from the Ministry of Labour.

For budget purposes, the office is a full chargeback to the workers' compensation fund and from an administrative or a daily reporting point of view, we report directly to the assistant deputy minister, labour policy and programs, in the Ministry of Labour.

The second area of mandate that is critical is advice and counsel. It seems to me that was one of two pillars of direction that came from the committee in its initial review. What we try to do—and I guess I should say parenthetically, resources pending—is to provide employers of any size, anywhere in Ontario, with help and assistance in trying to understand the board.

It goes further than that. Typically, our phone calls in are not questions about the act or board policy. They are from far more heated callers who want to know how to deal with the system, how to access the system, how to initiate an appeal and what kind of help they can get from us along that road. Essentially, we have tried to provide them with information over the phone and in writing. We have appeared with them as representatives at hearings, both at the board and at the Workers' Compensation Appeals Tribunal.

The service is broad and it was to the credit of the original four advisers in the Toronto office that we could service demand at all. For the first six months of our operation, from October 1985 to the end of March 1986, we had 750 employers come to us. These numbers are in the submission on the back of page 5. We had projected about 2,200 new cases for 1986-87; as of the end of February, we had about 3,500 new employers making contact with us, and that should be about 4,000 by the end of the fiscal year. We are

substantially ahead of forecasts. It is Never Never Land when you are doing forecasts, but my projection for the next year would be that, with offices opening and already opened in cities out of Toronto, the demand may escalate in a way we cannot predict for you today.

The submission also makes reference to the demographics of some of the employers who have come to us. I will just touch on it to say that about half the demand currently is from Metro Toronto and region, from the Niagara Peninsula up and around to the Bowmanville area. About 90 per cent of the demand is from what we define as small business—companies under 100 employees. That is fairly close to the conception of the office initially, which was to provide a hands-on service for small business people who lack the experience to deal with the board and lack the knowledge of the board and who perhaps would be hard pressed to retain \$100-an-hour consultants to fight cases for them.

I am not going to dwell on some of the activities in 1985-86. They are in the submission. They point to visits we have had to make to certain cities, workshops and some printed material, and similarly point to those things in 1986-87.

Every time an employer phones the office, we hope that what we are doing is initiating an education process so that when he phones he will end that call knowing more about the way the board operates than he did when he called. The more times they call and the more hands-on experience they have with workers' compensation, the more they will be able to deal with the system and the less they will require our service.

I remember the first media interview I did for the office was with Daily Commercial News, and I indicated I would like to disband the office in five years. That was more of a hopeful, philosophical statement that employers might take on the responsibility of doing their own workers' compensation cases. I do not know today if that timetable will still be in place.

**Mr. Pierce:** The same would be true for employees, I suppose.

**Mr. Mandlowitz:** I am not speaking for them today.

**Mr. Chairman:** You have got enough on your plate today.

**Mr. Mandlowitz:** One of the things we have learned—I am going to generalize a lot today and I apologize for that—is that, by and large, large business is no better at dealing with workers' compensation than small business.

## 1020

The demand, however, moved us to a posture where it was clear we would have to service demand outside of Toronto more directly. As you know, as a result of the comments of the Minister of Labour (Mr. Wrye) in June in the Legislature, we were authorized to move into offices in Ottawa, Sudbury, Kitchener and Windsor. That process is under way.

The Windsor office, strictly by accident, opened first, the Ottawa office second and Sudbury just recently. I would love to discuss the problems in Kitchener, but the service nevertheless is there in the form of staff. I have tried to skirt that, but I put my cards on the table generally on page 6 by saying service is being provided through alternative means with a permanent location forthcoming.

**Mr. Chairman:** I trust somebody will ask you about that.

**Mr. Mandlowitz:** Yes. We will get to that.

In the process of trying to provide employers with some understanding, some educational functions, it has become clear to us that we are going to have to put more of our resources into a more formal educational approach. We have begun to look at that for 1987-88 and started to tackle it already. The approach will be to provide employers with more printed information. We will be doing more brochures of this length and longer, tackling specific issues. One issue of particular concern to employers at this time of the year is double assessment, because the notices have just gone out from the board, I guess in January.

There is still a great deal of confusion about the workers' compensation appeals process—and I do not mean the Workers' Compensation Board; I mean the process from start to finish—as to how you end up in court and whether you would ever want to end up in court. One of the things I have learned in government—I have been there for only two years, and a lot of you saw me here with a different hat a few years ago—is that it takes about six months to get one of these prepared from text to publication. It is part of the commitment to the pulp and paper industry.

**Mr. Haggerty:** It does not take that long to get election campaign literature out, does it?

**Mr. Chairman:** Mr. Mandlowitz would not know about that.

**Mr. Mandlowitz:** Well, we have a thing called Management Board.

We are moving to a number of bulletins, which we can control out of our office and just



photocopy and send out generally. Some of the issues we are going to be looking at are things such as employers' rights under the act—they are surprised to know they have some, and there are a lot there—and some other specific kinds of issues. I have included one on page 7; we will be letting employers know that if they are interested in purchasing the name and/or assets of a firm, they would be well advised to get a new account number.

We are also moving around the province doing workshops, which are fairly specific how-to kinds of things. We are running one today in Windsor, and we are running one at the end of the month in Ottawa. My intention is to run more of those, again as part of the philosophy to put the onus back on the private sector.

We will be gearing up an internship program on a pilot-project basis. I can talk about that in more detail if you like.

**Mr. Chairman:** Perhaps you could say, just in a word or two, what an internship program is.

**Mr. Mandlowitz:** We are undertaking to have a contract position in our Toronto office divided into four parts so there will be a three-month internship where employers will be nominating representatives. It is any employer; it can be the Ontario government, a crown corporation, a municipal government, a business association or a company—we have not had any applications from law firms yet—and we will undertake a formal and informal training program for those people. Again the intention is to get them back into positions which they left and have them not only do their own employers' WCB load but also serve as a resource for the industry.

For example, if one of the interns was from Falconbridge, one would expect that person not only would go back to Falconbridge and do all the workers' compensation but probably would also serve as a resource for the mining industry. That would shift the focus away from us.

**Mr. Chairman:** Perhaps you could pick a different company.

**Mr. Mandlowitz:** Maybe I should have used the Ministry of Labour.

**Mr. Chairman:** Okay.

**Mr. Mackenzie:** I wonder if there has been any effort or drive on the part of the private sector to privatize your operation.

Interjections.

**Mr. Mandlowitz:** Can I answer that now?

**Mr. Chairman:** We will hold questions until later, but every now and again a gem floats through.

**Mr. Mandlowitz:** This morning I had a discussion with my wife about an offer I received from a consulting company; so I guess the answer is yes.

**Mr. Chairman:** I think I know the fellow's name too.

**Mr. Mandlowitz:** The final area of mandate I would raise is what we refer to as advocacy. Part of our mandate, I think, is to help the employer community communicate its policy concerns to the system. We primarily do that through the reporting structure that I referred to earlier. We have a very clear structure within the Ministry of Labour. That is where we go with our concerns in the first instance and the Workers' Compensation Board would be number two.

Generally the issues that we raise with those bodies are a result of consultations with employers, through associations or through individual employers, and with an advisory group we have set up that has about 25 members on it, which meets irregularly, that we can use as a sounding board. If they like one of our ideas, we will go forward with it. If they do not like one of our ideas, we will not go forward with it. We can explore in some detail some of those issues with you if you like. Some of the general issues are on page 8.

Finally, I guess the last point I would make is budget. Obviously it is public information, so we have no trouble talking about it. For the first six months of our operation, the budget was \$195,000. The initial allocation for 1986-87 was \$501,000, and that is reflected in printed estimates. I do not think they reflect the statement in the Legislature by the minister in June where he indicated that the cost of expanding into four new offices and buttressing the Toronto office would raise our total budget to \$1,043,000. That supports 23 positions and the organizational chart is included in the submission behind page 6.

So with that, perhaps I will just stop on the overview. Now the tough stuff starts.

**Mr. Chairman:** A significant number of members have indicated an interest in having a dialogue with you.

**Mr. Mandlowitz:** Sure.

**Mr. Chairman:** I have a brief question on the page that says "office of the employer adviser." Do you see that comes—

**Mr. Mandlowitz:** As part of the brochure?

**Mr. Chairman:** I guess it is. It comes after this—

**Mr. Mandlowitz:** Yes. That is this brochure.

**Mr. Chairman:** That is that. Okay.

**Mr. Mandlowitz:** We found a few of these in the bottom of a drawer. You have the last 30 that are in print.

**Mr. Haggerty:** Six months to get any more printed.

**Mr. Chairman:** The reason I point it out is it says the OEA is a free service.

**Mr. Mandlowitz:** Yes.

**Mr. Chairman:** I thought maybe that the private sector would take offence knowing that there is no free lunch out there.

**Mr. Taylor:** They know that.

**Mr. Mandlowitz:** It is a prepaid free service.

**Mr. Pope:** Just a couple of questions: One of your functions is to advise employers on board decisions and policy. We have just seen the announcement of a policy this morning in a newspaper about eligibility of miners with lung cancer for compensation who worked in the mines prior to 1945. Since I will be getting all the questions in Timmins tomorrow, can you tell me what advice you are going to give today to the mining companies in northern Ontario about the policy decision the board has made?

**Mr. Mandlowitz:** First, I want to learn something about the policy. I have not seen today's newspapers. I am not going to be giving any advice to miners on their eligibility. If you wait till about 11:30, you can ask Mr. Di Santo about that. Frankly, it is something I do not know anything about, at this point, so it is not a question I can answer for you.

**Mr. Pope:** Let me repeat the question. I said mining companies. You are the office of the employer adviser. This is a decision that is now public. What process do you go through to get that kind of information and any criteria, if they do exist, out to the employers?

**Mr. Mandlowitz:** Good question. I think the answer is almost explicit in the title of the office. We are advisers when we are called upon to give advice. I will bet you on this one the mining companies do not come to us for advice.

The first thing I have to do is make myself aware of what we are talking about. Second, if it is a significant issue, my responsibility is to get some direction on the policy side from the ministry and, when that is done, discuss it with the board. When that is done, I think I probably will have an understanding of what is going on. I would expect that I would refer it to a consulta-

tion session with our group to understand the impact from their perspective.

I do not think anyone would want me to adopt a role of being a singular adviser working in isolation. I just do not operate that way. I do not understand how most of the major sectors in the province operate. It would be highly arrogant to see the office of the employer adviser as a group, on an unsolicited basis, go out to employers and dictate policy. We work with them. I take much of my direction from them, rather than them taking their direction from me.

**1030**

**Mr. Pope:** Let me put it in another way. A policy decision has been made by the Workers' Compensation Board. I could have a mine manager call your office by 11:30, if you would like, asking for advice on that policy decision. The decision emanated from the Ham Royal Commission on the Health and Safety of Workers in Mines, which took submissions from the steelworkers, from Mrs. Marcher, from myself and from other members of the Legislature.

It appears that miners are now eligible, as a result of the Muller study and a policy decision, according to some standard or basis that was recommended by the Ham commission to the board. The steelworkers have 220 files in Timmins. I have 15 final appeals. I have already met with the mine managers in Timmins and have asked them to support pre-1955 claims let alone pre-1945.

What role can your office play in immediately advising the mining companies about, first, their rights and, second, the criteria for the decision?

**Mr. Mandlowitz:** Again, I have not seen the decision; so at this point, I cannot advise on the criteria. I suppose, because of what I have already tabled—and that is that we are mandated to provide access to the appeal system for them—if we are asked to participate in that process, we, as representatives, would participate in that process.

**Mr. Taylor:** Could I have a supplementary on that?

**Mr. Pope:** Sure.

**Mr. Taylor:** What troubles me—and I am trying to get a supplementary to Mr. Pope's question—is that under your brochure, you say that you provide information on general Workers' Compensation Board policy. Is there any briefing or communication that takes place between you and the board on introduction or announcement of new policy so that you would



be equipped to respond when new policy is announced?

**Mr. Mandlowitz:** Is your question, are we plugged into an early warning system? No, we are not.

**Mr. Taylor:** In other words, you read about it in the press, then you inquire, and then you respond.

**Mr. Mandlowitz:** Often that is correct.

**Mr. Taylor:** I think that is shocking.

**Mr. Mandlowitz:** If I could take it a step further, sir, it is not uncommon to know there is a policy change when you get an update to the manual.

**Mr. Pope:** You have not seen an update to the manual on this question.

**Mr. Mandlowitz:** No. Let me just raise it as a policy issue. I would think that perhaps the employer groups tomorrow might have a perspective on it. I am aware that there has been some discussion as recommendation for something called an early warning system—or a regulatory agenda, if you like, to use the terminology out of Ottawa. I believe there is a need for that. Probably this is old information, but the way the Ottawa system operates is that two times a year, 10 departments and five crown corporations, I believe, must submit in advance—obviously six months in advance—the regulations they are seeking to change or the new regulations for which they are considering implementation, with research foci—i.e., has there been a research study done on this?—and a contact person of the individual handling the regulation. It provides you, if you know about the Gazette, with an opportunity to make representation. But we are not part of a formal early warning system.

**Mr. Chairman:** Mr. Pope, is there anything else?

**Mr. Pope:** Mr. Mackenzie has a supplementary.

**Mr. Mackenzie:** Yesterday we notified the Minister of Labour and I think I asked Dr. Elgie when this would be operative, because of the stories saying the gold miners would now be covered and we might get some action on behalf of some of the widows.

I did not get the impression that they had the criteria or standards ready yet. I should have pushed the question a little more, and we have the chairman of the board before us again tomorrow, but I got the impression that they were proceeding, they made the decision they were going to cover it but we do not have the criteria or the

regulations yet. I think it is something we should clarify, but that is my impression. There may be nothing issued yet. I was asking the time frame before it is operative because that is exactly what I was worried about, when we would see the criteria.

**Mr. Gillies:** A further supplementary; I intend to ask Mr. Di Santo the same question: I would have expected that for the offices of the employer adviser and the worker adviser to function properly, both of those organizations should be fully apprised of policy changes when they are made. I would even go so far as to say that they should be consulting with you or advising you of possible or likely policy changes. I ask you to comment on this, because if there is something in the works that is big, you are likely to be queried about it even before a policy change is announced, especially if there is speculation in the press about a possible policy change.

I also wonder, if it proves that neither of these offices is being advised on a regular basis in that way, if we should make that a recommendation, if we issue a report.

**Mr. Mandlowitz:** I would welcome a recommendation like that. Let me share a particular incident that created some difficulty for us. At the beginning of every calendar year the board will prepare a guide for employers who have to begin to estimate their payrolls and make the appropriate payments to the board. Until very late in the game, I was not aware that our office would be listed in the brochure as a contact. It was too late to put additional staff on the phones and the best we could do was to set up a referral network with the board, because we are really not equipped. That is a very technical kind of service. The board can do it better and has been doing it. We had to scurry to respond to that.

**Mr. Chairman:** Do you think it is partly because your offices seem to be completely independent of the board and the board does not want to set up some kind of formal liaison with you, or is there some other reason?

**Mr. Mandlowitz:** That might be part of it. I would hope that would be part of it, but I think you all probably know the answer: If the board wants you on side on something, you hear from it, but if it is making a policy change which could be difficult for you, you do not hear from it.

**Mr. Gillies:** I heard you say that you would welcome a recommendation from us to improve the lines of communication. Supplementary to that, do you believe, by having a regular liaison and information flow from the board, even on



prospective policy changes, that would compromise your independence?

**Mr. Mandlowitz:** I do not think so.

**Mr. Pope:** I have two more questions. What role do you play in representing employers who, first, object to actual assessment or experience rating or their classification?

The second question is, what role do you play in intervention, in trying to get interest on assessments that have been challenged or forgiven?

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**Mr. Mandlowitz:** We have never taken a role in the formulation of experience rating. Similarly, we have never taken a role in negotiating assessment rates. Our view is that those two things should rest with industry. For example, when the board initiated its first round of rate group negotiations, I guess in the summer, by choice we were not a part of it. On experience rating, we have tried to have arrangements with the various sectors which go this way: If an employer calls and wants a technical review of how experience rating works—the council-amended draft 7 proposal or new experimental experience rating—we will generally refer him to the safety association which was responsible for initiating the process. Technically they are really good on those kinds of issues.

If an employer calls wanting to know how the hell he got into experience rating, it is a policy question and we will tend to refer him to the trade association which was a partner to it, because experience rating essentially has been seen to be industry-driven, industry-initiated. Industry rate groups go to the board and say, "We want to be experience-rated. We want to have a formal plan." We do not do that. Those responsibilities more rightly fall with industry.

**Mr. Chairman:** There is no question that in one sense the industry umbrella groups wanted the experience rating.

**Mr. Pope:** In 10 years I have not met anyone who wants to be in the group any more.

**Mr. Mandlowitz:** Now we are talking classification. That is something in which we have been very involved. We have been involved in terms of a group of employers in industry seeking to be reclassified and individual companies seeking to be reclassified. That is a really tough nut to crack with the board. That is question one.

Interest on assessments challenged: The only representation we have made on interest is to request the board to move up its timetable to pay interest on overpayments. I believe it is introduc-

ing that in 1988. I believe it was signaled in the 1987 guide and we asked that it be applied earlier than in 1988.

**Mr. Pierce:** Other than the board, who else is aware of your recommendations to the board? Is someone alerted to the fact that you have sent a recommendation, or can it get lost in the board files and never surface again?

**Mr. Mandlowitz:** The documents that we will send to the board will also go to the Ministry of Labour. We hope the minister is apprised of them. Probably we have not been as good as we should be in keeping the Ministry of Labour policy branch plugged in, and we are committed to do that in the future. We have just begun input into that group. It is a useful policy focus.

**Mr. Pierce:** Now it has two places where it can get lost. It can get lost in the Ministry of Labour files and it can get lost in WCB files.

**Mr. Mandlowitz:** You are assuming it gets there via Canada Post to begin with.

**Mr. Pierce:** What I am looking for is an advocacy area where it can be sent so that someone has a method of making sure that the recommendation goes beyond just being mailed and so someone has to pay attention to it.

**Mr. Mandlowitz:** There are two questions there. Paying attention to it is not the same as something arriving. To his credit, Dr. Elgie is excellent at acknowledging information. He has a very quick turnaround time. I am quite convinced—you can document it—that information we sent to him in recommendation form arrives. There is no question. We get a letter of acknowledgement often within a week, so it is arriving. The next question is a bigger one: if those are good ideas, how do we move them into an implementation mode?

**Mr. Pierce:** You do not want to answer. That is the question I asked. I am waiting for the answer. Is there any mechanism to follow up to make sure that the recommendation is acted on? Is the committee required to respond to your recommendation?

**Mr. Mandlowitz:** There is no commitment beyond that, although the board has responded to them. There is only one to which I have not had a response. In some cases there has been acceptance of what we have said and in some cases there has not been. The area that I guess we got fairly good response from is the financial services division, which has looked into the retroactivity policy they have on classifications. We had a number of employers who felt they were not being treated properly when the board

put them in an incorrect rate group and subsequently came back and said "Hey, you're in the wrong rate group." The employers were not being offered a retroactive balance, but subsequently I think the board has moved to correct that.

**Mr. Haggerty:** There are a couple of questions I want to direct, and then I want to deal with the Canadian Tire associate store letter addressed to a number of the members.

In the office of the employer adviser, how many are lawyers?

**Mr. Mandlowitz:** How many of them are lawyers? I am not, but three are. Do you want to know which ones are lawyers?

**Mr. Haggerty:** No, I just wanted to know the numbers. Three of them are lawyers. I was absent for a little while yesterday afternoon. I attended the Workers' Compensation Appeals Tribunal at 505 University Avenue; it was my first experience there. One of the things I found most interesting was when I went to the copier machine to get a copy made I had to go into what they called their library and I looked at it and thought, "My gosh." I looked at the size of it, and said, "The Law Society of Upper Canada just moved in."

You should have seen the texts and books there. Really, I do not think they had any bearing on workmen's compensation. My question is, do you have the Law Society of Upper Canada in your facilities, that they have texts and lawbooks of court cases and civil actions, and catalogues?

**Mr. Chairman:** If so, you should be ashamed of yourself.

**Mr. Mandlowitz:** How do I answer that? I think the only thing we have in the office is a legal dictionary to which each adviser has access. Let me put some words in your mouth and stop me, if you like. I see you smile.

**Mr. Haggerty:** I may stop you.

**Mr. Mandlowitz:** The question I am asked every time I do a speaking engagement is, "Are you a lawyer and do you need to be a lawyer to do workers' comp, and if I have a problem should I get a lawyer to represent me?" I say, "No, no, no."

The most important thing—and I do not care who is being represented on either side—is that your representative had better darn well know workers' comp, that there are policies and that the act is reflected in policies, and if you walk into a hearing with the act you are dead in the water. It is the interpretations of the act that are critical.

**Mr. Haggerty:** So you have three lawyers, and that includes all your offices in Windsor, Kitchener, Ottawa and Sudbury?

**Mr. Mandlowitz:** Yes, there is one in Toronto, one in the Kitchener office and one in Ottawa. That is not by design. That is simply a result of individuals winning open competitions for positions.

**Mr. Haggerty:** I have a second point. I want to deal with this letter I have received from W. B. Dufurat, to the attention of all Niagara region Canadian Tire associate stores. He says: "On January 8, 1987, Rene Gascon, Doug Steep and I met with Robert Chamberlain of R.H. Chamberlain and Associates, who represented the Workers' Compensation Board. The meeting went on for a considerable time, but I will summarize the key points of discussion.

"The WCB is not allowed to tell us who is in our group. This appears to be another 'bureaufatic' problem. We suggested that all Ontario CTC dealers might be classified as one group. Mr. Chamberlain said this could not be done. Presently, the WCB has some experimental groups operating over the past 18 months, but he does feel we would be large enough to be in our own group. We would recommend that the Canadian Tire dealers should address this problem with the Ontario government."

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He goes on: "I received a pamphlet (see photocopy attached) from an employment agency manager re the office of the employer adviser. This pamphlet is self-explanatory. The ridiculous part is that this office comes under the Ministry of Labour who apparently amended the Workers' Compensation Act to create this office, but neglected to tell any of us employers—nor does the WCB tell us—that there now is another way to appeal WCB problems.

"Is it not wonderful to have one government office created to appeal the programs and problems created by another government office.

"The WCB certainly ensures that it promptly sends all of us invoices, assessments, penalty notices, etc., without us having to request them. Mr. Chamberlain said that the Ministry of Labour published a notice in the media announcing the formation of the new OEA office. I stated that this notice should have been mailed to us the same as our assessments."

I believe you did mention not having enough pamphlets to send out.

**Mr. Mandlowitz:** I would never have enough people to service the demand if the board did



that. We would have 180,000 calls in three weeks.

**Mr. Haggerty:** He goes on to say: "The WCB has 5,000 employees. The WCB Act of 1915 is totally inadequate and should be revised. The 108 rate groups that exist are ridiculous. They cannot cover the 168,000 employers. WCB claims are not being controlled. Alan Wolfson now has independent auditors examining claims. Medical aid payments are also covered by OHIP. Doctors are getting paid twice—and we are carrying the costs. The claim system audit program is insufficient."

Have you found it to be a fact that doctors may be considered double billing in this area?

**Mr. Mandlowitz:** Double billing, no.

**Mr. Haggerty:** He said they are getting paid twice.

**Mr. Mandlowitz:** No.

**Mr. Chairman:** May I interject, Mr. Haggerty? If you are making a principle from a specific, okay, but I would hope there would be agreement on the committee that we will not be dealing with individual cases today because when we get Mr. Di Santo before us we could be here for weeks.

**Mr. Haggerty:** That is the key there. He raises a point about doctors being paid twice. Are you aware of that?

**Mr. Mandlowitz:** That is not the typical complaint I hear about doctors from employers.

**Mr. Haggerty:** The other question is, do you think the information should be available to all employers in the matter of assessment; they should know what category they are in and what the cost is?

**Mr. Mandlowitz:** They do, in fact. They get their accident cost statement on a monthly basis, which indicates their rate group numbers, along with all information as to their costs. At the beginning of every year, they are given a package of information from the board to assist them in preparing their payroll statements for the year. That is what I referred to when I said we were listed in there. The board has gone to every employer and provided information that if they have a problem in this area we exist.

**Mr. Haggerty:** The question they raised is that the WCB "is not allowed to tell us who is in our group."

**Mr. Mandlowitz:** That is correct. The board does not do that.

**Mr. Haggerty:** Should that not be available? Should the system not be open to the public, the

ones who are paying the cost and perhaps those who are getting some benefit out of it?

**Mr. Mandlowitz:** You can get some help on that from the safety associations.

**Mr. Haggerty:** I left out that part about the safety association.

**Mr. Mandlowitz:** If your goal in trying to understand the nature of your group is genuinely to—there can be a number of things. I have seen industries go to their safety associations to say: "We want to clean up our act. What we want from you is a list of all of the bad actors and we will form a committee and go hit on them." I have seen that happen.

Probably employers are not generally aware that they can get help from their safety association in that regard, but the board will not provide that information. Safety associations will be helpful.

We were intervening on behalf of a company that was seeking to be reclassified. I saw data listing very explicitly, by size of company, by number of employees, who was in the rate group and what their frequency was. The information is available. This gentleman is probably not aware of that.

**Mr. Haggerty:** I do not know who Mr. Chamberlain is. The letter said he represented the Workers' Compensation Board. He must be a consultant.

**Mr. Mandlowitz:** I am not familiar with the name.

**Mr. McClellan:** I have one question on the advocacy function of the office of the employer adviser. I am always nervous when public agencies are providing advice to ministries or policy-making bodies in camera. I believe very strongly that the advocacy function of public agencies is a very important one but it needs to be done in public in the sense that any advice that is given to ministries or policy-making bodies should be in the public domain. Is the advice that you provide to the Workers' Compensation Board or the Ministry of Labour available to the general public or to ourselves?

**Mr. Mandlowitz:** I guess it has not been available to the general public or to you to date. By and large, it has been communicated by personal correspondence. I do not know if personal correspondence is a confidential document. But to take a step back and not dwell unnecessarily on semantics, in some ways we are not a public agency, we are very clearly a branch of a ministry of government.



**Mr. McClellan:** As far as I am concerned that is a public agency.

**Mr. Mandlowitz:** I think the system would not necessarily agree with that. If this committee recommends that when we do policy briefing and things like that you would want to be on the mailing list, or should in fact be, I think that is an important consideration.

**Mr. McClellan:** The system and the tradition in this jurisdiction at this point may not be that deliberations of public agencies are in the public domain. That is going to change very quickly, as soon we pass the freedom of information legislation. The system will be fundamentally different.

All branches of government should start getting used to the idea that the system is going to change and that all advice provided to policy-makers and decision-makers will be available. Public agencies should start thinking of ways and means of streamlining that process so that it is not necessary to go through a cumbersome process of application but, rather, that the advocacy and advice functions are routinely available to those who have an interest in obtaining them.

I will leave that with you. It is something we will pursue with the chairman of the board and the Minister of Labour.

Yesterday we received this very thick document, which is the study of occupational disease in the Workers' Compensation Board. It was written in 1982. It is a brilliant analysis of occupational health and safety problems and how the compensation board has struggled to deal with them. It was suppressed—that is not too strong a word—by the ministry and the board from 1982 until yesterday. This is totally inappropriate and serves no purpose at all. The information in this report would have been very helpful to everybody—to ourselves, to the board, to the minister, to yourself, to the office of the worker adviser, to the tribunal—had it been made available four or five years ago instead of yesterday afternoon.

Similarly, I think the kind of information that you outlined on page 8, wherein you met with a number of your client groups and have reached opinions on a number of matters, which you have relayed, would be helpful to the members of our committee, other members of the Legislature and other groups that are interested in workers' compensation issues to further those negotiations, discussions and consultations.

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**Mr. Pierce:** Mr. Mandlowitz, in regard to your brochure, let me ask you what type of

circulation it has had. You indicated in your remarks that all employers have been made aware that employers' advisory offices have now been established. Would all employers in Ontario have received this brochure?

**Mr. Mandlowitz:** No. The first printing of this was 5,000. Those were broadly circulated to trade and business associations, safety associations—

**Mr. Pierce:** Chambers of commerce?

**Mr. Mandlowitz:** —chambers of commerce, yes. The philosophy, obviously, was not to print 200,000 of these if no one wants them. We were certainly not going to mail one to every employer in Ontario. If one sees a trillium on an envelope often it is not good news and sometimes, as I learned yesterday, it is not opened.

**Mr. Pierce:** Would it be an acceptable insert on all the statements sent out by the WCB?

**Mr. Mandlowitz:** It could be. I have no objection to that.

**Mr. Pierce:** That would certainly get to all the employers. They all get a bill from WCB; it would be nice if they got something else besides a bill some times.

**Mr. Mandlowitz:** Let me just finish. As well, these were sent out to every MPP's Toronto office and every constituency office. They were sent out to Ministry of Labour offices. The result of the first mailing indicated that we would have to print 85,000 to fulfil demand. A lot of that demand was from business associations which had their own purpose in sending out the pamphlets. We tried to fill that demand. We did a second printing of 30,000.

I think that basically covered the waterfront. We are now doing another printing of 30,000 in English to begin to fill some of the lesser priority demands. The brochure and all of our publications are now going to be available in French. The 30,000 in English will not be distributed until the French is available. It should look slightly different because we want to be able to put our individual offices on the back of it as well. We will have had 60,000 in the field in about a year and a half. That is about one for every three employers registered at the board.

**Mr. Pierce:** Let me ask you some more specific questions in respect to seminars or briefings. You make reference to the major centres. The riding I come from is, of course, a very rural riding. How do you get to those ridings?

**Mr. Mandlowitz:** You really hit a good marketing question. We have recently done a

series of workshops with the Ontario Feed and Grain Dealers' Association, if I have the name correct. We have good exposure from the Ontario Fruit and Vegetable Growers' Association. I have spoken to the Ontario Federation of Agriculture. I was at the farm safety association meeting this week. I think it is through those kinds of mechanisms that we get our message through, for example, to people in your community.

It becomes really a cost-effective question as to what communities do you go to, how do you advertise that, and how do you best service the client group. If you have one employer in Walkerton who has a problem, do you go and see him? They are really judgement calls. What we are trying to do through a variety of mechanisms is reach employers.

What do we find? I am sure this is a penetrating glimpse into the self-evident. It is difficult to get owners of small businesses to take time from their enterprises to come to a three-hour session on workers' compensation, because when they need it is when they need it. They are not going to come to a seminar in March necessarily, but they may call you three months later because they have a problem.

**Mr. Pierce:** Especially if they have to drive 300 miles to get to it.

**Mr. Mandlowitz:** Yes, or even if it is closer than that, even if it is a toll-free number. It is interesting to learn from experience. Often, if you are not in the office when the phone rings, a person will not get back to you a second time. I guess our policy is that you call back three times and if the person does not respond, you stop. There is a point where it is difficult to reach the group even if it needs help.

**Mr. Pierce:** Let me ask you whether there are people who assist you in bringing groups together. Do you have field people who can go in and offer that service?

**Mr. Mandlowitz:** Absolutely.

**Mr. Pierce:** Let me ask you another question. Again, it is riding-related. This is a toll-free number from northwestern Ontario; you do not have a toll-free number to Sudbury.

**Mr. Mandlowitz:** We do now.

**Mr. Pierce:** You do now.

**Mr. Mandlowitz:** Yes, as of the beginning of March the Sudbury office is in a location with a toll-free number.

**Mr. Pierce:** It is not a toll-free number through Toronto back up to Sudbury, and we will phone you back and—

**Mr. Mandlowitz:** No, it is direct from the Sudbury office. Similarly, there are toll-free lines going in every office.

**Mr. Pierce:** Let me ask you one other question. At the top of the page you say that you appear with employers at Workers' Compensation Board hearings and Workers' Compensation Appeals Tribunal hearings. Is that anywhere in Ontario? It is in the brochure.

**Mr. Mandlowitz:** Oh, yes.

**Mr. Pierce:** That is anywhere in the province?

**Mr. Mandlowitz:** Yes, that service is available.

**Mr. Pierce:** At the request of the employer?

**Mr. Mandlowitz:** Yes. We have done them in Thunder Bay, for example, and we do not have an office in Thunder Bay.

**Mr. Pierce:** I can only assume that the people who are going out are aware of the policies of the WCB and also of the interpretation of the policies.

**Mr. Mandlowitz:** They had better be.

**Mr. Pierce:** If they lose the case, can we go back after them? Ray, did you win your case yesterday?

**Mr. Mandlowitz:** He will know in six months.

**Mr. Chairman:** Do not get Ray going on his case.

**Mr. McGuigan:** Just in relation to the last question, do you advertise in, say, The Grower, the publication of the Ontario Fruit and Vegetable Growers' Association or the publication of the Ontario Federation of Agriculture?

**Mr. Mandlowitz:** We have not done advertising in the sense of preparing an ad and paying for the placement of it in a trade journal, but The Grower, in particular, did a story on us; most of the trade publications have. Even if it is not for the reason that they think we are a good service, it is for the reason that the employer community lobbied very hard to get the office. They want to take credit for it among their client groups.

**Mr. McGuigan:** You do not advertise in trade papers. Do you advertise in the regular—

**Mr. Mandlowitz:** In regular newspapers? Only when we are doing a specific function in a community. If we are going to do a workshop and we know we have to drum up demand, we will use the dailies and the weeklies. If we are going in to do individual client meetings, and that is referred to in the document, we will publicize, usually a week in advance of the time when we



will be in the community. For example, we were in Chatham for two days, February 25 and 26, and that was advertised in the Chatham paper. We were in Cornwall at the same time and that was done in Cornwall. It was publicized in Ottawa through the newspaper. We do that routinely.

That kind of advertising is not cost-effective. We will draw many more people to events strictly as a result of word of mouth than we ever will by advertising. That is the nature of the service. If you win something for somebody, everybody is going to know about it, and if you do not, everybody is going to know about it.

**Mr. McGuigan:** For the reasons you mentioned, if there is a problem, the person is going to be on your doorstep; if there is not a problem, you tend to go on doing whatever you were going to do that day.

**Mr. Mandlowitz:** That is about it. It is very predictable. I can tell you from the beginning of December to the end of February what kinds of calls we are going to get. I can tell you what drives it. Board notices will drive a particular kind of call for three months.

**Mr. McGuigan:** The question was asked earlier of Mr. Mandlowitz whether you have to be a lawyer. I might comment on the experience I had quite a few years ago before I became a member. There was an accident on the farm. People familiar with farm machinery know that a good deal of it is inherently unsafe in that the business end of it is designed to chop things up and so on. You make the assumption that no one is going to get near the business end. Unfortunately, a person did. I was there. I was not the one to put my hand on the stop; another person did.

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The person fully recovered, but they looked at the accident and gave me a really high assessment. As a matter of fact, it would have put me out of business at the time. I did not know how to go about it, so I phoned the board and it put me in touch with an employer adviser who told me how to go about it. I presented my own case, and to my surprise, I won it. I did not really expect it. It was simply a matter of covering the bare facts of the situation and explaining them. It was not a great legal problem; it was more a matter of understanding. Thank goodness the person fully recovered.

This brings me to another question. In that case, I had to come to Toronto. In Essex and Kent counties, where I live, there is a good deal of

industry in the small towns in Kent. Of course, there is all sorts of industry in Windsor. There is nothing in Chatham. I would like to get it on the record that we would like to have services for both employees and employers in Chatham. Do you have any recommendations that you make to the board? Do you have any input into pushing for additional centres?

**Mr. Mandlowitz:** For ourselves?

**Mr. McGuigan:** Yes.

**Mr. Mandlowitz:** Certainly.

**Mr. McGuigan:** I wish you would push for one for Chatham.

**Mr. Mandlowitz:** We will put you on the list.

**Mr. McGuigan:** It would cover all of Kent and, I suppose, parts of Elgin county and a good deal of Essex county. It would be a great help.

**Mr. Haggerty:** Sarnia.

**Mr. Mandlowitz:** Sarnia is already on the list.

**Mr. McGuigan:** It would be a great help to both employees and employers. The same applies to the rehabilitation, too. When coming to Toronto to attend at the Legislature, I have had occasion to drop people off at Downsview. Unfortunately, this friend of mine did not survive.

**Mr. Mandlowitz:** You have hit a personal nerve there. Let me put my cards on the table. I do not know whether I could put an office of the employer adviser in Chatham. My father-in-law and mother-in-law live there. I am finding that as we open these offices, it takes a fair deal of my time to drop in and visit them, so I will have to weigh the consequences of that.

**Mr. McGuigan:** You can drop in at Chatham without any costs.

**Mr. Mandlowitz:** Or maybe Blenheim without any costs.

**Mr. McGuigan:** You would always have a free place to stay.

**Mr. Gillies:** I hear a number of complaints or concerns from other members of the Legislature regarding the appeals procedure. The thrust of these complaints is a perception that hand in hand with the reform processes coming out of Bill 101 is an increasingly complicated and legalistic process with regard to appeals. I have had several of my colleagues go so far as to say they do not believe, for example, that an MPP can adequately represent a worker at the appeal level any more unless the member has legal training. Based on your experience of that, working with the appeals tribunal in particular, can you comment on this?



Do you feel this is a direction the process has been moving in?

**Mr. Mandlowitz:** That is a very important question. The short answer is that I agree with the principle of the question. I will try to answer it in two directions; my experience and our office experience, and what I think the employer experience is.

Because we are into it on a daily basis, we have more or less adjusted to the new rules of the game. It has not been difficult to adjust to the board. The board is still essentially leaving it, even at the hearings level, somewhat informal. It has been more difficult and certainly more challenging to prepare cases at the appeals tribunal. Mr. Haggerty made reference to his observations when he was there. You would have the same observation if you got a case description from the appeals tribunal. It is not uncommon to have case law referred to you and if you have not had a lot of experience with workers' compensation, if you have not been to a hearing and you get a case description an inch thick that synthesizes a file that might be a foot thick, it is a difficult process. If there is case law in there, you might be a little intimidated about getting involved in that situation.

While we are not gun-shy because we have become accustomed to that, employers are getting gun-shy because of what we have described. The appeals tribunal had to establish some procedures as an administrative tribunal. The question is whether they have gone too far and what the long-term effect of that has been.

Let me operationalize it and complicate it a bit and introduce the time factor. I am quite concerned about the length of time it takes to get through the appeals system from square one to square five. It could be five; it could be more. It could be two years; it could be three years. With test cases out of the appeals tribunal it could be longer if the courts are involved. In a sense, it is uncharted waters.

To get back to it, I agree that employers believe the system is becoming too legalistic. When they say that, they are talking about the appeals tribunal more than they are about the board. With the board you can still walk in to a hearings officer with one person; it is you, the employer, the injured worker and you tell your story. You had better be prepared and you had better know the case.

When you get into the appeals tribunal, it is quite a different ball game. There are a lot more people involved. It looks like a court. We can see the tribunal counsel having a role. The tripartite

panel clearly always was conceived of. I am concerned that the effect of going in that direction is that you are seeing more and more time required for a decision output. Just look at your own files in terms of how long it takes to get a decision from the appeals tribunal.

I refer you to decision 206. If they look seriously into the issue of paying interest, they will be under serious criticism to expedite decision-making or else they are creating an indirect cost in the system. They are looking very seriously at payment of interest. I would really like to get a decision out of them in two months. We are lucky to see one out of them in six months now; very lucky. I think that is true for all client groups. There are two clients involved in it. Employers are not hearing any earlier than workers.

**Mr. Haggerty:** The committee might read the transcript from my experience there yesterday.

**Mr. Gillies:** I am most interested in your comments. My concern is that the procedures that have been put in place are distancing the process both from the worker and from the employer and that legalistic constructions are growing up around these cases in a way I do not believe was contemplated by the drafters of the reforms. As you note, it is your perception too about the length of time that is involved, the legalistic nature and the way the elected representatives are, I believe, increasingly becoming alienated from the process.

We had some discussions with Dr. Elgie yesterday on the board's interpretation of section 86n regarding the determination of issues by the board and the account that is taken of decisions by the appeals tribunal. Are you aware of or will you comment on the fact that the board's interpretation of section 86n is that the buck stops with it and that regardless of a precedent-setting decision being reached by the appeals tribunal, the board may in fact set it aside at any time, not subject to any time limit?

In other words, cases could be adjudicated with a new factor being taken into account because of an appeals tribunal decision, but five years, 10 years, or as far as we can see, 50 years from now, the board could decide to shelve that tribunal decision as part of the policy. Can you comment on some of the—I will be charitable—challenges that could present to an employer?

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**Mr. Mandlowitz:** Perhaps I should not put it this way because you are the people responsible for the intent of section 86n, but it is my understanding that your intent was and always

has been that policy-making resides within the jurisdiction of the WCB. That is my position and the office's position. There certainly is a process under way right now where that is being challenged, and it is being challenged explicitly. If you wish, I can refer to at least two instances where it has been challenged explicitly. If I can have a minute, maybe I can find it. It is an important point.

Given the time, I will not read much of this. It is decision 215 of the Workers' Compensation Appeals Tribunal, January 1987, page 7. There is a very lengthy and interesting paragraph around a section 15 kind of issue. This is a panel of the appeals tribunal speaking:

"This panel of course agrees with the proposition that where the tribunal is dealing with rights that are defined in concrete terms in the words of the statute, the board's guidelines cannot take the place of the wording of the statute." Agreed; that is me editorializing. "The guidelines are useful to the board's adjudicators as a means of assisting those adjudicators to reach appropriate decisions in the bulk of the cases they are considering. They may be used by this tribunal as an indication of how the WCB interprets the section of the act in question, and as a source of information about the range of matters to which an interpretation of the relevant section in the act must apply. However, the tribunal cannot be bound, nor can it be unduly influenced by these guidelines. The correct interpretation of the words of the statute is for the tribunal to decide." I scratch my head at that one.

**Mr. Gillies:** I can understand that.

**Mr. Mandlowitz:** Similarly, I scratch my head at this one. This is acknowledging there are two levels of policy. It is in respect to the application for reconsideration of decision 72, pages 17 and 18. I believe it was heard November 17, 1986.

"From a policy point of view, it was generally agreed that the current situation in which the board and the tribunal are apparently working with different definitions of accident-by-injury is not a desirable state of affairs. We note, however, that this decision will certainly not be the end of the discussion at the Workers' Compensation Board or at the appeals tribunal on these issues."

It is pretty clear to me. From my perspective, and I hope from the perspective of everyone influenced by workers' compensation, it will increasingly be difficult to prepare an appeal if we are dealing with two different sets of rules. I am not suggesting there are today two different

sets of rules. I am saying the potential is obviously there for two different sets of rules.

I do not think it is a positive situation. My view, from a jurisdictional perspective and if I read the intent of the Legislature correctly, is that the policymaking responsibility and jurisdiction reside with the Workers' Compensation Board, and should in my judgement.

**Mr. Gillies:** I think we have a very serious problem here. From the decisions you have quoted, it is becoming apparent that there is a feeling at the appeals tribunal that its interpretation in a judgement of statute should take precedence over board guidelines. As an agency at arm's-length from the board, you are of the opinion that the board has the jurisdiction over policymaking. I will ask that same question of Mr. Di Santo. What it all boils down to with me is that there is, if not a tug of war going on now, a tremendous potential for a tug of war within the system as to who has the final say.

**Mr. Mandlowitz:** Absolutely.

**Mr. Gillies:** Mr. Mandlowitz, one of the things that bothers me about section 86n is that it is very open-ended in nature. As I said earlier, the appeals tribunal interpretation of something could stand for a period of years and then be reversed under the review process by the board, apparently without consulting at the time of doing that with the parties to the original decision, nor, I suggest from reading section 86n, without particularly having to explain the decision to do so; rather, it would suffice for Dr. Elgie or the chairman of the day to say, "We have decided this is the policy." I have to think that for us as legislators to leave this situation in limbo has potentially very negative effects both for workers and for employers.

**Mr. Mandlowitz:** Can I cast it in a more general light? I think a question to be considered is, within the context of workers' compensation legislation, should there be a statute of limitation, because what you are describing is not atypical in the system now.

**Mr. Gillies:** Thank you very much for your comments.

**Mr. Taylor:** May I have a supplementary? I will stay on this section. We were discussing this yesterday. Can you give me your understanding of that section in terms of whether the review has to be conditional upon an interpretation of policy and general law? Is it in the conjunctive or the disjunctive? There is a lot of discretion here as to whether there is going to be a review. That



decision has to be made before there is any representation from the parties.

**Mr. Mandlowitz:** That is right.

**Mr. Taylor:** That places an awful lot of power and responsibility on the part of the board. Is that board sitting as an appeal tribunal from the appeals tribunal itself on questions of law as well as on questions of policy? I would appreciate your understanding of that section.

**Mr. Mandlowitz:** If we say general law is the statute, just off the top of my head, I would vote for policy and general law.

**Mr. Taylor:** Mixed.

**Mr. Mandlowitz:** We hope that policy flows logically from statute and that both are critical.

**Mr. Chairman:** Does that answer your question?

**Mr. Taylor:** No, it is not very helpful to me.

**Mr. Mandlowitz:** Try me again. Maybe I just missed hearing your problem.

**Mr. Taylor:** Subsection 86n(1) provides that, "Where a decision of the appeals tribunal turns upon an interpretation of the policy and general law of this act, the board of directors of the board may, in its discretion, review and determine the issue of interpretation of the policy and general law of this act and may direct the appeals tribunal to reconsider the matter in light of the determination of the board of directors."

In order to have a decision reviewed, you must convince the board of directors that there is a matter of interpretation of policy and general law. Are those severable if it is just a question of policy? Can you take it and expect a review as of right? Do you have to have an element of law as well as an element of policy, or could you have just an element of law?

I wonder what your interpretation of that section is.

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**Mr. Mandlowitz:** I would like to think about it.

**Mr. Taylor:** It is fundamental. If you are going to have a decision reviewed, when the decision is reviewed, then you have a stay in regard to any order that is outstanding and a new hearing.

**Mr. Mandlowitz:** I really would not want to shoot at that just off the top of my head. A lot of lawyers are looking at that right now, but if you leave it with me, I will venture to come back with something on it.

**Mr. Gillies:** Very briefly, I do not see any internal contradiction in section 86. It is drafted,

the procedures are laid out and so on, saying the board can review, and then the method by which such review will take place is in subsection 86n(2). But then I have to look back at section 15. It says, "Any party to an action may apply to the appeals tribunal for adjudication and determination of the question," etc., ending with the words, "and such adjudication and determination is final and conclusive." I have to wonder if there is not a potential contradiction between that and section 86n.

Do you have any thoughts on that?

**Mr. Mandlowitz:** Section 86n opens the question, if the board of directors at the Workers' Compensation Board seeks to review, what then? Is that review binding, is that the final level of appeal, or does that review merely lead to reconsideration at the appeals tribunal?

**Mr. McClellan:** Surely that is what it says. The power that is set out in 86n is the power of the corporate board to instruct the tribunal to take another look at it, but sections 86l and 15 make it very clear where the final decision-making authority is.

**Mr. Mandlowitz:** With the board.

**Mr. McClellan:** No, it is with the tribunal. The final decision-making authority on appeal is with the tribunal. That is what it says in section 15 and that is what it says in section 86l. Quite frankly, until yesterday I had never heard anybody make any suggestion that there was any ambiguity about that. The board has the power under the statute. If it is a matter of policy that the tribunal has dealt with and the corporate board has concerns, the board has the statutory authority to instruct the tribunal to reconsider its decision in the light of the board's concerns, but it cannot substitute its decision for the tribunal's decision. The tribunal still makes the decision and can reconfirm its decision or change its decision, but the bottom line under the statute, as it reads, is with the tribunal.

The chairman of the board raised the question of the ambiguity yesterday, and you are raising it again this morning. I am glad it has come up, but for the life of me, I do not understand how anybody can read what I think is a very toughly worded combination of sections as anything other than saying the final decision-making authority rests on appeal with the tribunal.

**Mr. Chairman:** All the board can do is ask the tribunal to reconsider a decision that it has already made.

**Mr. McClellan:** Yes. It may well confirm its decision or change it, but the decision rests with the tribunal under the section.



**Mr. Taylor:** That is clear. There is no question about that.

**Mr. McClellan:** I think the witness is raising a question about that, and I thought the chairman of the board was raising a question about that yesterday.

**Mr. Gillies:** I raised it because of Dr. Elgie's comments yesterday. I wonder if his interpretation of sections 15 and 86 is the same as yours and mine would be.

**Mr. McClellan:** We will have to ask him again, but I thought from what he said yesterday it could be either. I thought he said it could be one or the other and he was not clear which.

**Mr. Chairman:** If I heard him correctly, certainly he implied the board's decision was the final one.

**Mr. Mackenzie:** I got that implication from his remarks as well. After reading sections 15 and 86l, I do not know how the hell you could rule that way.

**Mr. Gillies:** It is almost as if he was saying that section 15 should read at the end of it, "subject to section 86." It is final and conclusive, except if the board varies, but of course that is not what it says.

**Mr. Chairman:** Does the committee want to let it fester or attempt to get an independent legal opinion on it?

**Mr. Gillies:** I think that would be most helpful.

**Mr. McClellan:** What is an independent legal opinion? I do not know what that is.

**Mr. Gillies:** All I know is I do not much like the situation where there seems to be some doubt, especially with the chairman of the board.

**Mr. McClellan:** Why do we not ask legislative counsel? Is that what you meant?

**Mr. Chairman:** Yes.

**Mr. McClellan:** Oh, good. I think that is a wonderful idea.

**Mr. Chairman:** We could ask Merike to think about it.

**Mr. McClellan:** She is nervous about spending \$100,000 for a two-page letter.

**Mr. Chairman:** No, we do not have that money. Anyway, can we wrap this portion up with Mr. McGuigan's final supplementary?

**Mr. McGuigan:** I want to go back to the answer you gave Mr. Gillies about getting into case law and requiring extra help. Whether it is a drainage tribunal or this type of tribunal, regardless of what client we are dealing with, the

employer or the employee, which side, we increasingly reject accepting rough justice. We go to the first lawyer, we get a quick answer and we say, "I do not accept that." Then we go to a higher court.

Is it not inevitable that what starts out as a desire to be a civil process ends up requiring legal help, which takes both the law you are dealing with and general law? Is it not more or less inevitable that unless we accept some rough justice, we have to go that route?

**Mr. Mandlowitz:** I think you are a historian. That is probably what has occurred, but I am not sure that was the intent of the Legislature with the appeals tribunal, and that is what concerns me.

**Mr. McGuigan:** We increasingly say we do not accept the answer you just gave me. One's whole future is riding on it. Perhaps one is looking for a pension for life. We are talking about thousands and thousands of dollars. It then becomes prudent to spend a few thousand dollars on the answer. I have seen this happen in arbitration proceedings I have been involved in on agricultural matters. I have seen it in drainage. I have seen it here. It probably exists in a lot of other places. As soon as you set up that system with good intent, eventually the buck has to stop some place. When you get to that point, you probably need extra help.

**Mr. Mandlowitz:** The reason I am going to skate on this is it is related to what we were just discussing.

**Mr. Chairman:** Okay, Mr. McGuigan?

**Mr. McGuigan:** Yes. I accept that.

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**Mr. Chairman:** Mr. Mandlowitz, thank you for appearing before the committee. We appreciate your contribution. There was considerable interest in your role by members.

#### OFFICE OF THE WORKER ADVISER

The next scheduled appearance is by the office of the worker adviser. We have with us Mr. Di Santo, who is the director of the office of the worker adviser. Mr. Di Santo, welcome to the committee. There was a rumour that there was a Di Santo coming back to Queen's Park, and we are glad you are here.

**Mr. Di Santo:** Temporarily.

**Mr. Chairman:** Are you by yourself?

**Mr. Di Santo:** Yes.

**Mr. Chairman:** We can at least get through Mr. Di Santo's presentation this morning, and then if the committee wishes to ask some

questions, fine. If not, we will come back at two o'clock. Is that okay, Mr. Di Santo?

**Mr. Di Santo:** That is fine.

**Mr. Chairman:** We will come back at two o'clock to have an exchange for an hour or so.

**Mr. Di Santo:** Thank you, Mr. Chairman, members of the committee. It is my sincere pleasure to present this report concerning the operation and the issues confronting the office of the worker adviser.

As we are all aware, since October 1985, much has changed in Ontario's system of the Workers' Compensation Board. Today I will describe the operation of the office of the worker adviser, outlining the current situation from the perspective of worker representatives and also I may briefly offer some solutions to continuing problems in the system.

First, I have reviewed the document prepared by your research office on the board's response to your 1985 recommendations. I am pleased that progress has been made in several areas which I raise in my report, in particular, the use of benefit in the doubt and initiatives with the Human Rights Commission.

This office came into existence as a result of Bill 101 amendments to the Workers' Compensation Act, which came about as a result of consultation among the Ministry of Labour, organized labour and the injured worker community, as well as considerable debate in the Legislature.

Through the process of developing these changes to the act, two concerns on worker representation became apparent: the provision of representation services and the independence of that representation. The establishment of the office of the worker adviser addressed these two issues.

The objective of the office is to provide full representation to injured workers. Subsection 86q of the act entrusts to the office a broad mandate to assist and advise any person who is or has been a claimant for benefits under the act.

This mandate has evolved into four key elements, which are as follows: advising injured workers of their rights under the Workers' Compensation Act; representing injured workers, where necessary, at all levels of the Workers' Compensation Board, at the appeals tribunal and beyond the tribunal, where applicable; working with labour and injured worker groups, members of the provincial parliament and other organizations representing injured workers to support them in their representation work; and, finally, advising the Minister of

Labour, the Workers' Compensation Board and the appeals tribunal of possible changes to policies and procedures under the existing legislation.

The branch is organized into four units: my office, which is responsible for administration; the Toronto and regional advisory units, which are responsible for providing representation services in their respective geographic areas; and, finally, the special services unit, which is responsible for conducting and co-ordinating our involvement in leading cases before the appeals tribunal, as well as conducting ongoing legislative interpretation of the act.

The Toronto advisory unit, which provides service to central Ontario, including the Metropolitan Toronto area, has offices in Weston, Scarborough and downtown Toronto. The regional advisory unit, which provides service to the remainder of the province, operates from offices in Windsor, London, Kitchener, Hamilton, Ottawa, Sudbury and Thunder Bay.

As members of the committee can appreciate, with only 10 offices, some of our offices, particularly those in northern Ontario, serve enormous geographic areas of the province. We recognize the concerns of the residents of northern Ontario and their right to receive this service. In this light, we are pursuing a number of options to make our service more convenient for injured workers who live in this area.

For example, the worker adviser will routinely travel to meet a client, even to remote locations. We have made available toll-free telephone lines so that injured workers can contact our office to discuss their claims at no cost.

After receiving additional resources in 1986, the complement of the branch increased to 66 classified positions, the vast majority of which are involved in the case work and appeals either at the board or the appeals tribunal. In fact, only three of the 66 staff are involved in purely administrative work. Of the total complement, 40 positions are worker advisers, five are members of the special services unit and the remainder are supervisory and clerical support staff. A detailed description is provided in our report in exhibit 3 on page 7.

For the first calendar year of operation from October 1, 1985, to September 30, 1986, the actual expenditures were approximately \$1.1 million for salaries and employee benefits and \$0.5 million for other direct operating expenditures for a total budget of \$1.6 million. For the fiscal year 1986-87 the budget allotment was approximately \$3.6 million, of which \$2.5



million was for salaries and employee benefits and \$1.1 million was for other direct operating expenditures. The difference in funding was as a result of the additional resources approved in June and the fact that all offices are now working at capacity, thereby generating larger expenditures.

As of December 31, 1986, at the completion of 15 months of operation, the staff had responded in some manner to 12,676 requests for assistance from injured workers. The first category of requests was advisory cases, of which there were 5,000 or 39 per cent of the total.

The second category was active representation cases. When we determine that a worker requires more active representation, a file will be opened and an authorization to represent obtained. For the first 15 months of operation, until December 31, 1986, we had opened active representation files for approximately 5,300 workers or 42 per cent of requests. Of these files, 1,343 have since been closed, or 11 per cent of the requests, and approximately 4,000 or 31.3 per cent of requests remain active.

The third category, cases pending, covers those for which we have not yet undertaken any active work, but which represent a current demand on our resources. As of December 31, 1986, there were approximately 2,400 cases or 19 per cent of the total in this category. These include:

**Waiting-list cases:** These are cases in which the worker has been initially interviewed and it has been determined that an appeal either to the hearings officer level or to the tribunal is necessary, but the case cannot yet be assigned to a worker adviser. At December 31, 1986, there were approximately 1,600 cases on the various waiting lists throughout the province, or 13 per cent of total requests, and the majority, 900, were in the three Toronto offices.

**Cases in abeyance:** These are cases where more information is required before advice or assistance can be given. At December 31, 1986, we had 755 cases with this status, six per cent of the requests.

From the beginning, we have attempted to resolve as many cases as possible at the operating or decision review levels, to avoid the delay and cost of appeals. A recent review of our Toronto representation files indicated that the largest proportion of issues, 42 per cent, was at these two levels, reflecting this general approach. Another 34 per cent of the issues were headed for the hearing officer level and 24 per cent were going to the appeals tribunal.

Perhaps the most significant statistic we have generated comes from the analysis of a representative sample of our decisions. We have presented this analysis on page 17 and 18 of our report. In table 4, it can be seen that the worker's appeal was allowed in 17 per cent of the cases and allowed in part in another eight per cent. The highest success rate was at the hearings officer level, the lowest at the tribunal.

The highest area of success by issue was in regard to rehabilitation decisions: 91 per cent fully allowed, four per cent more in part. At page 19, we identify some factors that point towards possible problems with the board's initial adjudication process, especially what seems to be a reliance on the injured worker or representative to obtain the necessary information to change the board's decision.

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The unexpectedly heavy demand for our services from the beginning has strained our capacity to meet the needs of injured workers. When we opened our doors in October 1985, there were already more than 500 requests for assistance awaiting the new advisers. In spite of a substantial increase in staff complement in mid-1986, the situation has developed that we have been unable to serve some workers immediately. Most of these are cases needing a hearing officer or tribunal hearing. This situation is most acute in our Toronto downtown and Weston offices, where there is a substantial waiting period.

We are very concerned about this situation and have taken concrete steps to deal with it. First, we have requested additional staff to meet the increased demand. We hope to have a response to this request soon. Second, we are relieving worker advisers in the Weston and downtown offices from intake duties so that they will be able to concentrate on representation work. We are also hiring short-term staff to review and deal with the cases of some of the workers who are waiting for service. In the longer term, we hope that self-help materials and extensive training for other representatives will ease some of the demand for the service.

It is important, however, to take a wider view of this unexpected level of demand. It represents a large group of workers who, for whatever reason, feel they need representation dealing with the board or tribunal. If we can all, working together, improve the workings of the system, then the bulk of this need will disappear and the office of the worker adviser will be able to



concentrate on the complex and difficult cases where a representative may always be necessary.

It was never intended that the office of the worker adviser would replace existing representation resources for injured workers. However, particularly because of the increasing complexity introduced by the appeals tribunal, many representatives feel a lack of confidence in their capacity to do an adequate job and are sending their cases to the office of the worker adviser. We are very concerned about this.

Thus, we have put a high priority on working with other representatives to improve their skills and to help them decide which cases they feel comfortable with and on which others they might need assistance. As a number of members of this committee know, we have done a significant amount of training with their constituency assistants, including special sessions for the London, Kitchener, Ottawa, Hamilton and St. Catharines area assistants. Further sessions are being planned. We have also done a very substantial amount of training with trade unionists.

Beyond our training efforts, the office of the worker adviser has done significant outreach in the community. I have made particular efforts to meet employer and safety associations to learn of their concerns and explain the worker perspective to them. Some very fruitful discussions have taken place during these sessions.

From the outset, the office of the worker adviser has attempted not only to advise and represent workers but also to analyse our case experiences with a view to improving the workers' compensation system as a whole. To facilitate our policy efforts, I have encouraged all worker advisers to identify recurring problems in their cases and propose appropriate policy solutions to me.

The Bill 101 amendments made many important structural changes to the system. Obviously, the one-year period covered by this report has been a time of intensive development and elaboration of the new structures. Generally, the office of the worker adviser has worked cooperatively with the other compensation agencies to make the system as a whole function efficiently.

The office of the worker adviser and Workers' Compensation Appeals Tribunal have interacted on a number of levels. The most visible has been our involvement in three leading cases: those on pensions, temporary benefits and definition of "accident."

The office of the worker adviser has engaged in other initiatives with the tribunal, including active participation in its dealing with workers' perceptions that the tribunal's proceedings were technical and legalistic. It will not serve the system well if injured workers feel that they need a highly trained representative in order to appear before the tribunal. In part III of our report we put forward some concrete proposals regarding the tribunal's proceedings.

The office of the worker adviser has engaged in active consultation with the board throughout our first year of operation. This has involved meetings between our director and the chairman of the board and numerous meetings with staff of the various divisions of the board, in particular review services and vocational rehabilitation.

We have made a number of specific suggestions to the board, including possible board involvement in the US asbestos litigation, changes to the pension commutation rate and notification to workers of the Bill 101 changes to pension supplements. Our relationship with the board has been very good in a period of intensive change and development at the board. We are very interested in working with the board on the development of an approach to policymaking that allows outside parties an opportunity to comment on proposed policies before they are implemented.

The office of the worker adviser was particularly pleased to make submissions to two important task forces established by the Minister of Labour: the Ontario Task Force on the Vocational Rehabilitation Services of the Workers' Compensation Board and the Downsview rehabilitation centre review team. The key elements of our proposals are summed up in part III of this report.

In part III, we have identified certain key areas of recurring problems in our casework. Our intention in discussing these is to make a positive contribution to the effective functioning of the system as a whole. In this statement, I comment only briefly on the most important problems.

In our first year, the office of the worker adviser encountered a number of cases of workers, often seriously and permanently injured, who have been denied compensation benefits because they were not covered by the act.

We are very interested in finding ways to separate the role of benefit control from that of rehabilitation. This is the key to resolving the problem of trust in the rehabilitation process, particularly as we move to early intervention.

Regarding the Downsview rehabilitation centre, this separation of roles is also very important. In addition, regarding Downsview, I have recommended better co-ordination between centre staff and treating physicians and major moves to decentralization. As you know, we are establishing an advisory and representation service at the centre and hope to develop additional proposals out of that experience.

Because of the leading case on pensions, we have not discussed the pension issues under consideration there.

Regarding supplements, our main concerns remain lack of notice of termination, the time limits placed on supplements and problems with older worker supplements.

We have noted several recurring problems in the area of occupational disease. First, the board seems to lack an adequate investigative capacity in some cases. Second, some entitlement criteria seem too restrictive and sometimes are not regularly revised to keep pace with current medical thinking. I have noted a number of examples in my report.

We have dealt with psychological disability quite extensively in the report. What we have seen from the cases of psychological disability is a need for more effort to deal with the chronic pain problems resulting from injuries and with work-related psychological problems. Even in the case of rehabilitation in general, early intervention is very important.

In regard to occupational stress, I am pleased that the board has made significant strides in the recognition of cases of disability from extremely stressful situations. In our cases, we are encountering disabilities resulting from less severe stress, which we feel deserves recognition as well.

In compensation, even more than elsewhere, justice delayed may mean justice denied, and that can devastate a worker's chances of eventual rehabilitation. In our report, we have made several proposals to improve adjudication procedures. I am particularly concerned that written notice be given enough in advance of benefit

termination to enable a worker to question the decision. I also support the team approach to adjudication with a maximum opportunity for injured worker contact with the adjudicator.

I have been extremely impressed with the tribunal's decisions. They are clear, concise and show great attention to the statutory language and intent of the act. However, some of the procedures of the tribunal have been intimidating, even to experienced representatives from the trade union movement, for example, who are not legally trained.

In an ongoing process of consultation, the office of the worker adviser has put forward a number of ideas regarding these procedures. We have focused especially on limiting the role of tribunal counsel, allowing a more flexible approach to requests for adjournments and applying the approach in section 77 to the disclosure of workers' files to employers. I have also expressed concern about the tribunal's approach to applications for leave to appeal old appeal board decisions.

We have come a long way in the restructuring of workers' compensation in Ontario. In this time of rapid change, the office of the worker adviser is committed to continuing to work with the other agencies in the system to make these new structures function effectively.

**Mr. Chairman:** Thank you, Mr. Di Santo. Is it the wish of the committee to adjourn now or to have dialogue with Mr. Di Santo until 12:30 and continue at two?

**Mr. Haggerty:** Adjourn now.

**Mr. Gillies:** Questions at two.

**Mr. Chairman:** Is that all right with you, Mr. Di Santo?

**Mr. Di Santo:** That is fine.

**Mr. Chairman:** I gather what you have given us is a summary of the Report to the Standing Committee on Resources Development 1985-86.

**Mr. Di Santo:** Yes.

The committee recessed at 12:02 p.m.

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No. R-30

# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

#### **Standing Committee on Resources Development**

Annual Report, Workers' Compensation Board, 1985

#### **Second Session, 33rd Parliament**

Wednesday, March 11, 1987

Speaker: Honourable H. A. Edighoffer

Clerk of the House: C. L. DesRosiers

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### STANDING COMMITTEE ON RESOURCES DEVELOPMENT

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Bernier, L. (Kenora PC)

Gordon, J. K. (Sudbury PC)

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Haggerty, R. (Erie L) for Ms. E. J. Smith

Hennessy, M. (Fort William PC) for Mr. Bernier

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# LEGISLATIVE ASSEMBLY OF ONTARIO

## STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Wednesday, March 11, 1987

The committee resumed at 2:08 p.m. in room 151.

### ANNUAL REPORT, WORKERS' COMPENSATION BOARD, 1985 (continued)

**Mr. Chairman:** The standing committee on resources development will come to order. Before we reconvene with Mr. Di Santo, a number of questions were raised this morning about the new policy on the awarding of benefits to gold miners who worked in the mines before 1945; I believe that was the ruling. I understand that came about as a result of a letter from the Workers' Compensation Board to the United Steelworkers of America, which represents a lot of the workers. Would it be helpful and would the committee like to request a copy of that letter so that you can see precisely what was said?

**Mr. Haggerty:** Or any background information.

**Mr. McClellan:** Yes, I would also like to ask the chairman if he will make a brief explanatory statement, and I mean brief, at the beginning of tomorrow's session, together with tabling that correspondence and any other documentation he has so that we have a clearer sense of exactly where this issue is at in the board's decision-making procedures.

**Mr. Mackenzie:** And possibly as part of that, how long they expect to take to establish the criteria or if those have been established.

**Mr. Chairman:** Can we agree to ask them to do that, keeping in mind that we have a very heavy day tomorrow and that we should not get into a prolonged debate with the chairman tomorrow morning? Mr. Reilly is here from the Workers' Compensation Board and I hope he will take—

**Mr. Haugh:** I am not Mr. Reilly. He is the vice-president.

**Mr. Gillies:** Are you not a vice-president yet, Gordon?

**Mr. Chairman:** I am sorry; my mistake. The director of communications for the board is here today and could perhaps communicate back to the chairman of the compensation board.

**Mr. Gillies:** Without wishing to make a major issue of it, Mr. Chairman, based on the

information you have given us, a letter was sent. We read in news reports this morning that the claims are, in fact, going to be recognized. That was not what we were told in the committee yesterday. What we were told yesterday was that the matter was under active consideration and that a decision would be pending for several weeks. I have to assume that when Dr. Elgie said that, he did not know the letter had gone, but an explanation might be helpful as part of his statement.

**Mr. Chairman:** We could perhaps do that crisply at 10 a.m. tomorrow morning, crisply in the approach and in the time. Let us proceed with dialogue with Mr. Di Santo. Perhaps you can introduce your colleagues to the committee for members who might not know them.

### OFFICE OF THE WORKER ADVISER

**Mr. Di Santo:** Yes, Rosemary Tait is on my right and Alec Farquhar is on my left. Rosemary is manager of the Toronto region and Alec is manager of special services.

**Mr. Gillies:** Mr. Di Santo and colleagues, it is good to have you back before us. We certainly look forward to the opportunity to ask you a couple of questions now that the process has been in place for a time since we last chatted.

My first question is one I have been asked to put to you by my colleague Alan Pope. It arises directly out of the news that the claims of the gold miners and their survivors in the Timmins area are going to be recognized. The question Mr. Pope has asked me to put to you is, in view of the fact that you do not have an office in Timmins or that area, are you going to be able to put either personnel or financial resources in place as quickly as possible to help in several things? His suggestion is that immediate resources be made available to help process the queries and claims from miners and their survivors. My understanding is that some of this preliminary work has been done by the United Steelworkers in that area, in close consultation with Mr. Pope's office.

He would also like to know whether you feel it is your mandate, or indeed whether you are able, to bring in a medical specialist, presumably somebody who is familiar with matters pertaining to carcinogens and lung cancer particularly, to work with the steelworkers in Timmins in

researching medical records of miners and helping to sift through those cases to determine those that may be put forward as claims. Those are the questions he has asked me to put to you.

**Mr. Di Santo:** As the minister announced yesterday, we are in the process of having approval for an office in Timmins. It is one of the locations considered for a new office. Until now, we have been serving Timmins from the Sudbury office. We have had a considerable number of claims; in fact, at the end of December 1986, we had 438 claims in the Timmins region, which is a very high number. This was one of the reasons that prompted the office and the minister to ask for more resources in that area. The development you are talking about is very recent and very new, but I can say that regardless of the fact we are opening the office in Timmins immediately, or in a number of months, we will certainly take those cases. We are also seeking the advice of a specialist, if it is required, in order to process those claims.

**Mr. Gillies:** Thank you very much. I will make sure Mr. Pope is aware of that commitment and I know he and the people up there will be most appreciative.

**Mr. Hennessy:** I have one little thing. It is nice to have you here. I would rather have you on this side than where you are now, but nevertheless you are doing well. You mentioned another office may be put in the north. Is there any thought about Fort Frances, Dryden or Kenora? Has any thought been given to that aspect of it? Two or three years ago you put the one in Thunder Bay, but you will still have people coming from Red Lake and places such as that, which is quite a distance.

**Mr. Di Santo:** I know. Geography is an incredible problem in northern Ontario. It is really taxing on our advisers. Thunder Bay is a case in point. We have only two advisers. They have to reach remote communities and most of their time is spent on travel. What we are considering now, and the minister agrees with this, is looking at the possibility of expanding the office in Thunder Bay, seeking more resources in Thunder Bay.

I do not think that at this time we are able to open offices in small locations such as Fort Frances where the number of claims would not warrant an office, which is a very expensive operation. On the other hand, we have other places, such as Sault Ste. Marie, that do not have an office so far. Of course, there is a considerable number of claims in that area. It is matter of

priorities. I think the immediate answer is, if possible, to get more people for Thunder Bay.

**Mr. Chairman:** Before you go on, my phone rings about a new office in St. Catharines. Even though I do not represent that area, is there any thought of that?

**Mr. Di Santo:** I do not think the member for St. Catharines (Mr. Bradley) has made representation to his colleague the Minister of Labour (Mr. Wrye). For the time being, the St. Catharines area and the Niagara Peninsula are served by Hamilton.

**Mr. Gillies:** I guess I should ask about an office for Brantford, but as Hamilton is only 20 miles away, I do not think I would get too far.

At a number of points in your brief, you speak to the operations of the Workers' Compensation Appeals Tribunal and the difficulties being experienced in representation at that level. A number of the comments you made reflect what I have been hearing from other members of the Legislature in terms of the complexity of that appeals procedure, what is perceived by many as the legalistic bent of case work at that level. You say the work traditionally done by MPPs, trade unions, legal clinics and other community organizations is not being done by those organizations now but is increasingly being turned over to your organization because of the complexity and the legal ramifications.

I wonder whether you can elaborate on that, and especially on whether you have any comments or recommendations as to what could be done to help correct that situation. As I said this morning, and will say again, I do not think the increasing complexity or legalistic bent at the appeals level was particularly contemplated by the drafters of the new legislation. I think we have a serious problem.

**Mr. Di Santo:** I should point out at the outset that, as I say in our brief, we are satisfied with the substance of the decisions of the tribunal. That is a very major departure from the previous practice. Now the decisions are very well reasoned, very clear and give explanations of the way of thinking that brought it to the point of hearing those types of decisions. Also, I suppose the evidence is brought in a way that is satisfactory to both the workers and the employers. In fact, most of the decisions are unanimous.

**1420**

The problem we have noticed from the reaction we have had from workers who come to our office and from other people who used to represent or still represent workers is that they



feel for some reason they now are inadequate to do so in front of the tribunal. They feel intimidated. As you said, they perceive that the procedure is too legalistic. We make a number of recommendations in our brief. For instance, we think the role of the tribunal counsel should be simplified and should be parallel to what used to be the office of the board. A person should be there to facilitate the parties in coming before the tribunal by clarifying and then presenting the issues to the panel in a very simple manner. That is an important point.

Another point that you will notice that is debated by the tribunal and by various groups is, who has the right to set the issues? We think the person who makes the appeal has the right to set the issues. The tribunal thinks it has discretion in bringing into discussion issues that the person who made the appeal perhaps was not aware of. That is a point of view I respect, but it is debatable. Ultimately, the person who will suffer or gain from the appeal is the appellant and he should have the right to decide what he wants to appeal.

We think there are other aspects; for instance, the names of the witnesses. We know that when you are dealing with a situation where the workers are unrepresented and there is no union protection, if the names of the witnesses are divulged in advance, those witnesses can be subjected to employers' actions that can be detrimental to them. If there is no union, they can be dismissed or harassed at work. Perhaps their names should not be divulged before a hearing.

Also, the adjournment policy is one of the points that may seem to be minor, but is very important. As members, I suppose you have experienced a number of times when, for many circumstances, you have had new evidence come in or you have had circumstances that made it important for you to ask for an adjournment. I think the present policy of the tribunal is too inflexible and should be more flexible. I remember the appeal board never had many problems in having a flexible policy vis-à-vis adjournment.

One of the points on which we have been having discussions with the tribunal is the release of information regarding workers. Section 77 of the act states very clearly how information should be released by the Workers' Compensation Board to the employers when there is an appeal. There are a number of protections for the workers. The policy of the tribunal is not the same as that of the board. We are not saying the tribunal should adopt the same policy, but we think the spirit, at least, should be the same and

that the onus should not be on the workers. Section 77 states that the employer may request specific documents and the worker can say whether he wants them to be released. The policy of the tribunal is that once the employer requests the documents on file, the worker can object to one or more of them. But, of course, we think that you put the onus on the worker and the worker may not know at that point which documents the employer is looking for, and therefore he is put in a situation of disadvantage.

The other point that we think should be rectified is the leave to appeal that was introduced in the legislation. I think the legislators were of the opinion that a number of decisions of the appeal board could, in fact, be changed because they were not satisfactorily processed and because the process itself was felt not to be fair. So the legislators thought that by giving a second chance before the tribunal, those situations could be rectified.

Now, we think that the tribunal is adopting a policy that is too narrow and does not rectify the situation that, in fact, it was supposed to rectify. These are basically our observations about the operation and our dealings with the tribunal.

**Mr. Gillies:** You have noted in your brief the increasing reliance of injured workers on your services. I have to think that is, in part, because of the complexity of the process now. I wonder if you are finding it a problem where some of those other individuals and organizations that you have cited in your brief, who have traditionally represented injured workers in the past, start with a case, take it through the adjudicator and so on, but when they get to the appeals level they suddenly find themselves unable to continue and turn to you. What kind of special problems does that bring with it?

**Mr. Di Santo:** Well, to be quite frank, we had a number of cases that people were turning to us, but not because of their inability to represent the injured workers before the tribunal. We know that, in general terms, people who have been appearing before the Workers' Compensation Board—trade unionists with small unions that do not have full-time workers' compensation workers—feel intimidated by the process. In all honesty, most of the cases that were referred to us were because of their complexity, the medical implications or the legal implications.

**Mr. Gillies:** I noted, too, in your brief that you said that about 40 per cent of your referrals come from MPPs.

**Mr. Di Santo:** Not 40 per cent; it is 22 per cent.

**Mr. Gillies:** Is it not 40? I am sorry.

**Mr. Di Santo:** But I must clarify that.

**Mr. Gillies:** Oh, I am sorry. Yes.

**Mr. Di Santo:** That is a very small sample. It is from only three weeks in December and January. I think the percentage may vary because perhaps those were three weeks where we had more, or we could have had more.

**Mr. Gillies:** Okay, no, I just—

**Mr. Di Santo:** There are a number of cases that are referred to us by the MPPs.

**Mr. Gillies:** Right. I just found the figures; about 40 per cent from the board and the tribunal, and about 22 per cent from federal and provincial members.

**Mr. Di Santo:** That is right.

**Mr. Gillies:** I cannot say that surprises me. About six months ago, I had a member talk to me who said he went to an appeal. He thought he was well prepared and ready to proceed, and then the first two hours were taken up by motions. If this particular member had not happened to be a lawyer, he would have been sunk. I can tell you there are a heck of a lot of the members of the assembly who, faced with that, are not going to be able to proceed. I have to think that is true for a number of the other traditional worker representatives, so I am glad you have highlighted that problem in your brief. Perhaps we might be able to make some recommendations on that.

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The other question I would like to ask you is whether you followed the discussion in the last day or so on the whole question of section 86 of the act, which seems to leave in the air who the final arbiter of policy is following an adjudication or a decision by the appeals tribunal, and on what some of us feel might be a conflict or a perceived conflict between section 15 and section 86 of the act.

Faced with that situation, what would your advice be to a worker being represented by you when they say to you, "Here is the decision." Under the act, who is going to have the final say in this? Is it the appeals tribunal or, if it is a policy matter, can that in fact be reversed by the board?

**Mr. Di Santo:** That is a difficult question for me to answer. You will appreciate that.

**Mr. Gillies:** I do.

**Mr. Di Santo:** The Workers' Compensation Board and the tribunal are reading section 15, which says that the adjudication and determination of the tribunal is final, and section 75, which

says that in its jurisdiction—and I think they use the same words—

**Mr. Gillies:** I believe section 86n is the contentious one.

**Mr. Di Santo:** Exactly. It uses the same words, in fact. Section 75 says "the action or decision of the board...is final and conclusive." Then section 86n says that when the tribunal has made its determination, the board can ask the tribunal to reconsider, which brings into the picture a different issue: the relationship between the tribunal and the board.

The question is, who has the final word. That is what you are basically asking. That has to be clarified by the act, because there is room to clarify at this point in time.

**Mr. Gillies:** That is the basic question. I appreciate your answer.

**Mr. McClellan:** By way of supplementary, the difference between the sections dealing with the jurisdiction of the board and the sections dealing with the jurisdiction of the tribunal is that section 75 says "except as provided by this act." The board's powers are limited by sections 86l, 86n and 15. It does not say, with respect to the tribunal, "except as provided by this act"; it says about the board itself, "except as provided by this act." That is the equivalent of the notwithstanding clause that somebody was referring to earlier. The notwithstanding clause applies to the board and not to the tribunal.

Again, I do not see there being any ambiguity in the statute. I think the statute is very clear. Obviously, my opinion is just one opinion, but until yesterday, I had not heard of this kind of ambiguity being expressed.

**Mr. Gillies:** Yes, it is interesting. I am in substantial agreement with Mr. McClellan. The confusion arises out of comments made yesterday by board representatives, where they appear to have somewhat of a different interpretation of what section 86n may mean in terms of who has the final say.

We now have you on record as saying that you think the question is open to interpretation. That is exactly what the people from the office of the employer adviser said this morning, so it is an area that needs clarification.

**Mr. Mackenzie:** I have just two matters that I want to raise with you. Mr. Gillies has been dealing with one of them to some extent, and that is the comment on page 16 of your presentation: "It was never intended that the office of the worker adviser would replace existing representation resources for injured workers."



I do not think it was ever the thought that members or unions or other representatives would get out of it totally, but on the other hand, I have a slight difference of perception from you on that. I can remember well the arguments in the House and the satisfaction in terms of getting worker representatives on the board.

Probably the biggest single argument made was that for some members—and I know there were two or three in my own caucus whose case loads were in the hundreds—anywhere from 30 per cent to 50 per cent of their case load was Workers' Compensation Board cases. I think, even in my office, on occasion it got to be a pretty high percentage. The unions were complaining about it as well, as were a number of other groups, and all kinds of groups were springing up to take on this work. Certainly we refer cases to you now.

The intent was that we would not all be subsidizing the Workers' Compensation Board, whether it was the unions, the members, or what have you, simply by doing all the work that was involved in establishing the cases for workers.

So I have a bit of concern with your comments. It seems to me it is one of the best things that has happened, and I certainly am happy to see the development of the program and the number of people you have, but my concern is that we not look upon it as also a sort of stopgap measure and find that we start increasing the case loads once again for some of those people who were handling them in the past.

I guess that leads into my direct question. First, I would not mind some comments on that from you, but what are we finding in the way of case load for the people who are on your staff? I have already heard rumours of some concern at the increasing case load in our area. I do not know whether that is a fact or not. How many people do we have, and what is happening to the case load in the Hamilton area? Is there any pattern emerging in the other areas? Are we finding that the 40 people we have do not begin to handle what is happening? What is the projection, as well?

**Mr. Di Santo:** Specifically for Hamilton or in general?

**Mr. Mackenzie:** In general, but Hamilton specifically.

**Mr. Di Santo:** As I said before, in the period of time from the opening of the office until December 31, 1986, we dealt with 12,676 cases. Of course, you will realize that this is a very heavy case load for whatever organization. Those are cases that would have been dealt with

by other people: MPPs, MPs, union representatives or legal aid clinics.

I think that, in a way, we give substantial help to those organizations and people who are involved with the Workers' Compensation Board. I also think many of those people might not have had a chance to be represented if our office were not in place. From that point of view, our contribution has been substantial.

Our concern is that if the case load increases at the same rate as in the past, we will be at the point where either we get resources that I know cannot be unlimited but which should be substantially higher than the ones we have now, or we would put injured workers in a position where they cannot call our office, and because of our physical and human limitations, we will be unable to help them.

That happens right now. We have cases of people who are in dire situations, and we have to stretch our manpower in order to respond to those situations. In many cases, we just cannot help them. It is as simple as that. If you want, I can give you—

**Mr. Mackenzie:** What kind of individual case load are workers now handling?

**Mr. Di Santo:** It varies. As I said, we had offices opened in October 1985, offices opened in January 1986, offices opened in June 1986 and personnel added in October 1986. So we had a phased-in situation.

I can tell you that, for instance, in Hamilton, in the month of February, we had 275 calls. We have in Hamilton at this point, February 27, 1987, 508 files open.

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**Mr. Haggerty:** That is almost as many as my constituency office.

**Mr. Di Santo:** We closed 198 cases. We have 251 cases that require summary advice, and we have 238 on the waiting list. We had a total of 746.

**Mr. Mackenzie:** How many workers' advisers do you have in the Hamilton office?

**Mr. Di Santo:** We have five worker advisers, but one was added just recently, one in October and one in November.

**Mr. Mackenzie:** What kind of a geographic area are they covering?

**Mr. Di Santo:** They cover basically Hamilton, Brantford and the Niagara Peninsula.

**Mr. Mackenzie:** I have no objection to what has happened. I think it is one of the best things that could have happened, and I certainly



appreciate the work that is being done. With five people and the kind of case load you have, you get some indication of the case load that is there and what was being carried by both the five or six local members and the unions. The point I am making is that our case loads and the union case loads are still heavy. If you go down to Local 1005, almost every day of the week there is a lineup of people who are there with Workers' Compensation Board problems. They have a good staff. In my opinion, there is still something wrong with a system that, in effect, requires that kind of subsidization of this program.

The point I am really making is that I think there are few things more important than resolving a problem of workers' compensation. When a worker is injured, especially with some of the new complexities we are running into in the field, it has to be handled relatively quickly. It simply says to me that there had better be an understanding in the ministry, in the government and in the minds of all members that this is not going to be a small bill. We have not begun to cover what we are going to have to cover if we are going to handle this problem. Either that, or we change the system entirely and look at some kind of an income replacement scheme, as we have occasionally talked about. I am just wondering whether you see that kind of necessity. I know you are bound by the constraints of trying to get the money to add staff, and I understand that.

**Mr. Di Santo:** We made a number of observations and recommendations in the brief toward the resolution of the problems we are pointing to. In fact, if the operation of the board becomes smoother and the claims are processed in a more satisfactory way, most of our work will not be necessary, as most of the work you do will not be necessary.

From our side, we do the job we have been asked to do. We have been trying to deal with the problem in the best possible way, and we realize the heavy work your constituency assistants have been doing. You know that very well, because your assistant and the assistants of the other MPPs in the area have been called twice. Some of you had training sessions; and we will keep doing training sessions, because we realize there is a need for more specialization, unfortunately. We do not like that but it is necessary; we are also trying to help from that point of view.

**Mr. Chairman:** Supplementary to Mr. MacKenzie's question, I think you indicated at one point that you had pulled intake workers off the job in Toronto and they are now doing actual case

work because you could not absorb any more new cases. Did I hear you correctly?

**Mr. Di Santo:** No, actually it is the other way around. In the west-end office, which is very busy, unfortunately the situation is just at the edge of what we can possibly deal with. We have six advisers and each adviser is tied up one day a week doing intake work, which means that, in effect, the advisers are working on their cases only four days a week. We are trying to solve that situation now by bringing in some temporary relief.

**Mr. Gillies:** May I have a supplementary? This morning the employer adviser group said that one of the problems in commitment of staff time and handling cases is that in terms of processing each individual appeal the appeal process is longer under the new system. They are taking something like six months, as opposed to whatever it was in the past. Could you comment on that? Is your staff having to devote more time to each individual case than would have been the case for the worker advisers in the past, before the new system was put in place?

**Mr. Di Santo:** We addressed that issue in our brief. From the statistics of the Workers' Compensation Board, you will see that the time for processing claims is substantial. We think one of the added problems is that when we go before the tribunal we have to prepare the cases properly, so we require more evidence and more preparation than before. That adds to the time the advisers have to devote to each individual case.

**Mr. Gillies:** Are there any statistics available on the average number of hours or even the range of the number of hours your staff could spend on each case?

**Ms. Tait:** We cannot establish that statistic until files close, and because we are only in our first year and a half of operation the majority of files have not closed yet. It is one we want to keep. An estimate on the average file would range between 15 to 25 work hours from start to finish, but it would depend on how many levels of appeal were necessary to resolve the issue or how many issues arose in that case. We will need at least another year of experience before we have anything representing mature experience.

**Mr. Chairman:** Before we move on to Mr. McClellan, I remind members to keep in mind that the next scheduled appearance, by the Workers' Compensation Appeals Tribunal, is for three o'clock.

**Mr. McClellan:** First of all, I want to say how grateful my own constituency office is for the

existence of the worker adviser. Our compensation case load has stabilized at 150, but it had stabilized at 300 before you were set up, if you can believe it. I am also in west Toronto, and the kinds of problems Mr. Di Santo was talking about in the west-end office of the worker adviser are shared by all the MPPs who represent the construction workers who live in the west end of Metro. It has made a tremendous difference to our ability to provide service, and we really appreciate that.

I will limit some of the questions and focus on two things I was most interested in, which I think Mr. Di Santo skipped over in his presentation, that is the statistics. First, on pages 15 and 16 there is the division of cases between the WCB and the tribunal. I had thought that most of your work was involved with the tribunal and that some of the difficulties you talked about had to do with getting used to the new tribunal system but, in fact, 76 per cent of your cases are inside the WCB. If three quarters of your case load still comes from the WCB level, that indicates to me that we have not made much progress in reforming the decision-making procedures within the compensation board.

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Mr. Di Santo, this may be a totally unfair question, but I will ask it anyway. You did compensation cases in the trade union movement, you did compensation cases for 11 years as an MPP and now you have two years' experience at the office of the worker adviser. What has been your experience of the past two years in terms of the decision-making procedures at the board? Is there any change? Statistics do not indicate that there is a lot of change.

Mr. Di Santo: These are the numbers that come from our experience. It is not a very limited sample, actually. These are 500 cases that we took out of the Toronto area, but we think they represent, by and large, all the other cases in the province.

The fact is that we are dealing mostly with appeals at the decision review branch and hearings officer levels. I cannot tell you, quite frankly, whether the trend is changing right now, but that situation reflects 1986. Of course, as we say in the brief later on, we have a number of recommendations. I think the system we favour should be smoother, because if that happens then we can devote all our energies to the complex cases that are before the tribunal.

When injured workers come to us we take the case that they bring to us. In most of the cases, as statistics show, they come with decisions on

entitlements, total benefits or supplements that have been denied. We have to deal with them at the proper level, which is the very first level within the board.

Mr. McClellan: The second thing that was just so amazing to read is on page 18, "Over 70 per cent of adverse board decisions workers bring to us are overturned on appeal." That is the most eloquent statement about the decision-making within the Workers' Compensation Board, when you have a 70 per cent reversal rate on appeal. There is something just as wrong in 1987 as in 1977 or 1967.

Then you have a breakdown of 80 per cent that are overturned in whole or in part at the operating level and at decision review, which are the two primary decision-making levels. There is an 80 per cent reversal on appeal, 83 per cent at the hearings officer level and a lower rate when they get to the tribunal. The statistics identify very clearly that we still have a terrible problem at the primary and secondary levels of decision-making within the WCB and at the hearings officer level within the WCB, but by the time you get to the tribunal things are—I do not know what the second set of statistics around the tribunal tells us: what does the tribunal statistic of 60-40 mean? Anyhow?

Mr. Di Santo: I cannot comment on the question raised by the member for Bellwoods, but—

Mr. McClellan: It was more of a statement than a question.

Mr. Di Santo: Certainly the statistics say one thing, that my staff is really superb. I was very fortunate because I could get the best people in the field, and certainly they give excellent representation of the injured workers who come to us.

As far as the tribunal is concerned, the statistics, like all statistics, can be misleading sometimes. In this case, I think we have to look at the very low number of cases, so the 55, five and 40 do not mean much because we are talking, in effect, of 20 cases. If you read page 17, you will see that 11 cases were allowed, one case was allowed in part and eight cases were not allowed. I think next year we can give you a better idea of—

Mr. McClellan: The other 500 cases are from the compensation board.

Mr. Haggerty: Much of the area has been covered, but I was just putting down some numbers here too. When you look at it, you have not seen very much improvement in providing end service to the injured worker. We talked



about the services provided by the office of the employer adviser and the office of the worker adviser. Looking at that cost alone, it is an estimated cost of about \$5 million.

We have \$35 million spent on industrial accident prevention. We talk about the question of the cost of legal aid that comes into the picture, that is not into this line of production, you might say. I know they do a great number of workers' compensation appeals too. There is also the members' constituency offices and the cost there in regard to workers' compensation. Then we have this latest one, the tribunal down on 505 University Avenue; I do not know what that cost is but I do not think it is going to come too cheap.

If we sit back and look at it, we ask, "Where does it end?" Just how much more can we put into this system and not provide the services that are the intent of the act? It is eaten up in bureaucracy somewhere along the line. I suggest that in this committee's recommendations to the Legislature perhaps there should be another review of it. I do not know, but I hope there may be some alternative to workers' compensation that is going to bring some results to the injured workers in the province without the heavy cost and price tag to provide that service.

**Mr. Chairman:** Thank you for supporting the concept of a comprehensive sickness and accident scheme for Ontario.

**Mr. Haggerty:** If you look at my comments over the years, I have suggested similar to that. When you sit back and look at it, it is just one thing after another, delay after delay. There is no improvement at all in this new workers' compensation system.

My work load has increased. For example, there was a group down in Welland, the Welland District Injured Workers Advocate Office, which folded because no funds were given to it. When it folded, legal aid had more work to do, and my office is overloaded. If I go back on Friday all I will have in my office will be injured workers looking for somebody to help them. I had been going to send them all to you. You tell me of the backlog you have and the backlog the office of the employer adviser has. There is just no end to this thing and no hope for the injured worker out there.

**Mr. Gillies:** There is hope.

**Mr. Haggerty:** I do not know. I have not seen any in 20 years, and it is not improving. I suggest we take another look at this, because we are not giving the services that—

**Mr. Taylor:** Do not despair. There could be a change of government. The artillery is getting

heavier. We have the employees' groups, and they are bringing in heavier and heavier artillery. Then we have the employers, and they are bringing in heavier armaments. So this war is escalating and becoming more adversarial.

**Mr. Haggerty:** So we are compressing the injured worker? No wonder he feels the stress out there.

Interjections.

**Mr. Chairman:** Order. Mr. Haggerty, would you stop teasing the bears? Do you have any specific questions for Mr. Di Santo?

**Mr. Haggerty:** No, they have pretty well all been asked, and we have not had the answers. We have not had any answers today. You have an office in Hamilton, right?

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**Mr. Chairman:** Order. Mr. Haggerty, I could have sworn you said you had no further questions.

**Mr. Haggerty:** No, I did not say that.

**Mr. Chairman:** I am sorry. You have a question to Mr. Di Santo.

**Mr. Haggerty:** We have a workers' compensation office in St. Catharines for vocational rehabilitation and inquiry, yet the services are not provided to the injured workers in the region down there. It is good to say, yes, we are only 50 miles from Hamilton, but if you ever worked there that means the people from the St. Catharines and Niagara region are forgotten.

Maybe I should be on your payroll and working for the government here too. You have to draw the line somewhere. Let us get on and get some of these things done, which is the intent of the new legislation.

**Mr. Pierce:** Mr. Di Santo, I heard your response to Mr. Haggerty's questions in respect to additional offices in northwestern Ontario outside of Thunder Bay. Your response was that at this time you were not anticipating any new offices outside of Thunder Bay and there were other areas that require service. Did I understand you to say you now have two worker advisers in Thunder Bay and they service northwestern Ontario?

**Mr. Di Santo:** Yes, that is right.

**Mr. Pierce:** I have two questions in respect to having two worker advisers working out of the city of Thunder Bay, which has a population of 120,000 people, and trying to service northwestern Ontario, where I am sure the bulk of their service time is taken up in travel. First, how



much cost-effective time do they really have with the workers?

**Mr. Di Santo:** That is the case; in fact that is why we are trying to increase the number of worker advisers in the office at Thunder Bay.

**Mr. Pierce:** Sir, with respect, even if you are successful in getting more workers, the travel time from Thunder Bay to Kenora is a full day. The travel time back is a full day. Out of a five-day work week, that leaves three days to service the furthest western region of the province. The travel time from Kenora to Red Lake requires another day and the time back another day, so there is no service time.

**Mr. Di Santo:** In fact, we are servicing a number of injured workers. I can give you the figures, if you are interested. Actually, it is quite remarkable. In the office at Thunder Bay, perhaps because of the personal commitment of the advisers, we have a very small waiting list, which means that most of the workers who are coming to our office are serviced.

Of course, that is not sufficient. It is not by any means a satisfactory situation, but unfortunately we are dealing with limited resources. I would like to have satellite offices in northwestern Ontario, but for the time being it is outside my power to create those offices.

**Mr. Pierce:** My second question is, would it not be better suited in your case to have workers located in some of the other communities outside of Thunder Bay, to service the region better and cut down on some of the travel time?

The conversations I have been able to have with your advisers have been late at night while they were travelling from one community to another, and travelling under some pretty severe conditions, particularly in the winter. Their concern was that they are not able to service their clients properly because of the amount of time they are required to travel. When you go from Fort Frances to Pickle Lake in a day you are pushing it.

**Mr. Di Santo:** I appreciate that. I might add that my advisers are not paid overtime. You will appreciate that their days are very long, especially in northern Ontario. Geography is a major factor in northwestern Ontario, but unfortunately the office was set up like any other organization. We were looking at the number of claims generated by each area. Geography was not one of the major factors in determining how many should be devoted to that area. As I said, the minister recognizes the problem and it was

actually he who suggested that we should add more personnel to the office in Thunder Bay.

**Mr. Pierce:** I still think there is a problem that has to be addressed. I realize that you are operating under constraints as is everybody else and that there is only so much money available, but I wonder and will continue to wonder about the cost-effectiveness of having two people from Thunder Bay trying to service east, west and north. There is nothing south. Thank God for Lake Superior; they do not have to go south, that is the only thing that saves them.

Let me ask you another question to get off that one a little, a question about the advertising that went out for the worker advisers in northern Ontario. As I understand it, the advertisement was in the Thunder Bay papers and in no other papers in northwestern Ontario. I questioned the department with respect to the ad because there were people outside of Thunder Bay who were looking to apply who did not even know the ad was being placed in the paper.

I should tell you that the Thunder Bay papers do not cover northwestern Ontario, contrary to what they would like to believe. There are papers in northwestern Ontario that people read other than the Thunder Bay papers. As to their coverage in Kenora, you could carry in your briefcase the newspapers they deliver in Kenora. There are not very many people in Kenora who know what is being advertised in the Thunder Bay papers. I do not know whether it is your office that directs the advertising or whether it is another office, but I suggest that if you do, and if you are successful in getting additional funds for worker advisers, you extend the advertising to the other areas.

**Mr. Di Santo:** I will take note of what you are saying, even though I must point out that the advertising is done through the human resources branch of the ministry. I will convey what you have said.

**Mr. Gillies:** Do you have the authority to pay travel expenses for an injured worker to come to the office and be interviewed by your people? In most parts of the province I do not think it would make sense, but in the far north, if you had one case or one claim to review in Red Lake, it would probably be cheaper overall, if the worker were willing and able to do so, for the worker to come to Thunder Bay for the interview and go back as opposed to having all the staff time of somebody going there and coming back; but I wonder whether you even have the authority to authorize that.

**Mr. Di Santo:** I will tell you what we have done. Of course, you realize that this office is a branch of the Ministry of Labour so we operate under the rules of the public service. We do not have a general policy vis-à-vis travel expenses, but in the past, when we had situations such as the one you described, we paid the expenses.

**Mr. McGuigan:** I agree with the member for Bellwoods (Mr. McClellan) that winning 73 per cent of the appeal cases certainly speaks eloquently, but I would like to get at what it really does speak to. My friend who just left tells me that when a judge is judging a case he does so on the basis of the evidence presented by the witnesses and the lawyer. In a few cases where there might be an inexperienced lawyer or even an incompetent lawyer, I suppose, if there is such a thing—

**Mr. Gillies:** Do you want a list?

Interjections.

**Mr. McGuigan:** I thought that would bring a few guffaws. It is only in rare cases that the judge would actually enter and ask questions of the appellant. When you have these appeals and you have your people with the injured worker—your people are well experienced—do they bring out new information that was not presented the first time? Does that enter into a number of these cases?

1510

**Mr. Di Santo:** That is really a difficult question to answer. Usually, when you have an appeal it is because the entitlement has been denied, benefits have been cut off or a pension does not represent what the injured worker thinks is his disability. In that case, the decision of the board may have been made on the basis of insufficient medical evidence. In the case of entitlement, the witnesses may not have been properly investigated or the worker may not have been able to bring the evidence that was necessary to support his case.

Our job is to gather all that evidence, and if there is a difference of opinion between medical reports we may seek further medical evidence by referring an injured worker to another doctor or specialist. That evidence is then brought before the—

**Mr. McGuigan:** It is really not a case of the appeal board saying to itself, "Today they are properly represented and, therefore, we will reverse our decision." It reverses its decision because new information, second opinions, are brought forward and it is better presented than it was before. That is what I take from what you are

saying. It is not simply a case of it saying, "With this evidence today we will say no, and with the same evidence tomorrow we will say yes in 73 per cent of the cases."

**Mr. Di Santo:** That is very hard for me to say, but I think whoever decides the appeal, whether it is a hearings officer or the tribunal, addresses the issue on its merit. If they recognize the denial was not justified on the basis of several factors, one being the new evidence we introduce, they may reverse the previous decision.

**Mr. McGuigan:** I think it is generic. It is not just limited to workers' compensation appeals; it is part of the whole appeal process, the citizen versus the government. The conclusion I take from this is that the whole system is escalating as part of our open government system. It is inherent in that system that you are going to require more and more people, because as one person is successful and the word spreads that this is the route to go more and more cases come your way. I think every MPP starts off in his constituency office when first elected with a very small number, but as he has some successes with cases and the word gets around, "Go to the MPP because he does a good job for you." He has one case, then it is two, then it is four and it goes on from there.

**Mr. Di Santo:** It multiplies.

**Mr. McGuigan:** The number of people you have available is greater than the number that was contemplated by the previous government. While it may not be enough, I think it is inherent in the system that we are going to have more and more people required for this job.

In my own mind, I do not see it as a criticism of the appeals people, the people who are doing the judging. It is just that it is an adversarial situation. The worker is trying to do the best he possibly can and the employers, on their side, are trying to keep the rates within reason. All you have to do is look at the fact—I guess it was \$7 billion we talked about yesterday.

**Mr. Taylor:** No, \$5.7 billion.

**Mr. McGuigan:** There was a \$5.7 billion unfunded liability. We just have to accept that it is that kind of system and go forward as best we can.

**Mr. Pope:** When Mr. Gillies asked you a question, his interpretation was that you had agreed to provide some support by way of a medical specialist to help the Steelworkers, Mrs. Larcher and myself in our lung cancer cases, and perhaps some support to Mrs. Larcher's group and the Steelworkers who are into their second



room full of files on work and medical records for miners in Timmins. My only question is, whom do I contact to get the money for the medical expertise?

**Mr. Di Santo:** As I told Mr. Gillies, we have some money in our budget for medical expenses, and of course we want to look at the cases. When we look at the cases, we will see what is required. Right now, I think you should contact our head office in Toronto.

**Mr. Pope:** Whom do I speak to there?

**Mr. Di Santo:** To me. As soon as we have an office in Timmins we will deal with that situation locally.

**Mr. Pope:** We have to prepare for appeals this summer and we need the medical expertise now. There was someone available who is now in his 80s and cannot do it any more.

**Mr. Di Santo:** We can convene a meeting with Mr. Farquhar and we will see what we can do.

**Mr. Chairman:** We should come to a halt in this part of our proceedings. Mr. Di Santo, thank you very much on behalf of the committee. I hope you have enjoyed renewing old acquaintances and explaining some of the operations of your office.

**Mr. Di Santo:** Thanks to the members for all the questions.

**Mr. Ellis:** Have we been called, Mr. Chairman?

**Mr. Chairman:** You may assume that the Workers' Compensation Appeals Tribunal has been called. You might know, without being told, that you have been mentioned in dispatches in the past couple of days. We are pleased that you are here before the committee.

**Mr. Ellis:** Thank you, Mr. Chairman. Perhaps you could just give me a moment to get myself organized.

**Mr. Chairman:** Sure. Members have had distributed to them some material from Mr. Ellis. Mr. Ellis, perhaps you would introduce the people with you and proceed.

1520

#### WORKERS' COMPENSATION APPEALS TRIBUNAL

**Mr. Ellis:** My opening remarks will be very short, as I expect the committee would prefer that the bulk of the scheduled time be available for questions. To assist with those questions, I have accompanying me today, on my left, Jim Thomas, who is the alternate chairman of the

tribunal; and on my far left, Douglas Jago, tribunal member representative of employers and chairman of the appeals tribunal's finance and administration committee. On my immediate right is Frances Lankin, tribunal member representative of workers and tribunal executive committee member. With me in the room as well are senior staff members David Starkman, general counsel, and Beth Kendall, director of finance and administration. Lynn Harris, my executive assistant, is also present.

The committee will have seen my first report describing developments during the first 12 months of the tribunal's existence and I will not go over any of that ground in these remarks. I point out for the record, however, that the committee's recommendation in its November 1985 report concerning the six-month turnaround goal was addressed specifically in section J of the first report, on page 7. At the committee's request, I have distributed this afternoon additional current data on the turnaround question. I have also distributed this afternoon an analysis of the tribunal's current work in progress. I will not speak to these additional data in these opening remarks but will be pleased to answer questions on them later.

One of the developments since the first report that I believe the committee may find of special interest is the reorganization of the tribunal's management structure. To enhance the degree of tripartite participation in the management of the tribunal, we have introduced a structure of standing committees with responsibility for administration policy development and implementation. The committees are composed of vice-chairmen and members representative of workers and employers and senior staff members. They are chaired, for the most part, by worker or employer members. This structure has been in place now for about two months and initial impressions indicate it is working well.

I think there are no other specific developments meriting particular attention in these opening remarks. I will turn now to a brief statement of my general views as to how the tribunal is doing and what I see to be current areas of continuing particular interest and concern.

The bottom line, in my opinion, is that the appeals tribunal now is in place and equipped to deal effectively with the responsibilities placed on it by the statute. I believe we are providing fair and effective hearings of a nonintimidating nature; and competent, fully reasoned and objective decisions. Our production capacity is still in a developmental stage, but the develop-



ment is well advanced and our goals of resolving the transitional backlog and achieving our turnaround objectives for significant cases by the end of 1987 remain viable.

The subjects of special concern or interest, as I see them at the moment, are as follows.

First, there is an unacceptable backlog in the decision-writing process. We have issued 600 decisions, and on average they have appeared three months after completion of the hearing. However, a significant number have taken much longer than that. In the package distributed this afternoon there is an analysis of the time elapsed from the final hearing date for the current backlog.

This backlog is a natural part of the tribunal's birthing pains and we are continuing to take steps to deal with it. I am confident we will bring it under control over the next several months. The appointment of an additional six part-time vice-chairs will be announced shortly, and we have obtained budget approval for two additional full-time vice-chairs should that prove necessary.

A second area of continuing development and special interest is the evolving relationship between the appeals tribunal and the board. The relationship that has developed to date has been, in my view, very constructive. It is my impression that both the tribunal and the board are generally satisfied with the way that relationship is evolving.

It is, of course, obvious that the role which is developed for the section 86n review will be pivotal in determining the ultimate nature of the overall appeal process. The first exercise of this power will be in respect of decision 72; we will all have a better idea of the overall scheme of things once that review is complete.

Finally, I should like to share with this committee my increasing appreciation of the fact that the most dominant feature of this new appeals system is the scope and the pace of the public issue review which it has triggered. The Workers' Compensation Appeals Tribunal's case load is studded with issues of first impression and first importance. In my view, there is a danger of systemic indigestion. Of our first 600 decisions, we rate 250 as significant.

By way of illustration of this point, let me give you a short list of some of the issues the tribunal is addressing. In considering the implications of this list, please bear in mind that it will be rare for one of these issues to be answered by a single decision. In most cases, the answer will evolve

over the course of numbers of decisions, all of which must co-ordinate one with the other.

A partial list is as follows:

1. Whether the board's method of determining permanent pensions under the terms of subsection 41(1) of the act is correct;
2. The compensability of chronic pain;
3. What degree of causal connection between the employment and the injury is necessary for the injury to be compensable?
4. Criteria for determining when injuries suffered in the course of employment are properly seen not to arise out of employment;
5. Compensability of the consequences or the sequelae of an industrial injury, including the effect of so-called intervening causes;
6. The definition of "accident";
7. The definition of "disabilities" and the criteria for connecting them to employment. What is the difference between a disablement and an industrial disease?
8. The compensability of disabilities resulting from occupational stress;
9. The compensability of disabilities resulting from on-the-job heart attacks;
10. Claims that various conditions are compensable industrial diseases—the claim that degenerative disc disease is an industrial disease characteristic of the trucking industry is one example of that kind of issue.
11. Criteria for granting access to workers' files and medical records;
12. Criteria for requiring a worker to attend for an employer medical examination.

The list goes on, but that will suffice for purposes of illustration.

This is an agenda of issues that in other settings would have been addressed over the course of many years. Circumstances have conspired to telescope all that activity into the first two or three years of this tribunal's life.

From one perspective, that reality presents unique opportunities. It also, however, raises the spectre of system overload.

In my opinion, the appeals tribunal has so far managed the flood of substantive issues surprisingly well. The long delays in too many of its decisions is part of the cost that has been paid for that management. There will be other symptoms of a system overloaded with substantive issues and, in evaluating this experience as we go along, all concerned should be sensitive to the fact that we are dealing with a process that is proving remarkably unusual in terms of the issue review it is generating.

I hope I have not imposed too much on your time. My colleagues and I would now be pleased to respond to any questions the committee may have.

**Mr. Chairman:** Thank you, Mr. Ellis. You certainly have not imposed unduly on our time. Members will appreciate the way you have done it, to allow a considerable length of time for an exchange with you.

**Mr. Pope:** I will get right to the nitty-gritty of one issue. Some six months ago, Mr. Martel and I approached Mr. Elgie, the chairman of the Workers' Compensation Board, with respect to lung cancer claims among gold miners in Timmins. Specifically, I want to repeat and ask for an answer today. We would like—and I think it is the feeling of the United Steelworkers and the widows' organization in Timmins—to have a generic hearing on the matter of exposure to dust in the gold-mines from the very beginning of the Porcupine camp, the consequences on the health of miners with actual medical records, full access to the X-ray records at the chest clinics, an independent analysis of the medical records by an outside specialist in lung diseases, an analysis of the status quo interpretations of Dr. Ritchie, Dr. Vingilis and Dr. Dyer over the years and whether those criteria are valid in medical terms, and an actual discussion of health records and health effects on individual claimants.

### 1530

Since 1980, we have had a number of final appeal board hearings in which lung cancer claims have been denied because it is not a schedule 3 disease. There are others in which, by agreement between the claimant, the employer, the appeal board and the compensation board, final appeals have been adjourned pending the release of the Muller study.

What I would like to have from you is a simple answer as to whether we are going to get a generic hearing in Timmins in the near future to get all of that information before the board, and whether you will forgo the normal application for reconsideration, because of the deal that was made previously by the compensation board that these matters could be brought back as soon as the Muller study came forward, or whether we are going to have to file 260 notices of appeal and reconsideration and go at it piecemeal. What is your pleasure?

**Mr. Ellis:** That is not a question that I am able to answer in this setting. The proposal is an interesting one and, on the face of it, has obvious advantages in terms of efficiency and so on and

so forth. That would be a question that the tribunal—I am not sure where the board's process sits in respect of those cases. If there are cases that are at our level, then I would invite you to make the proposition and to put it forward in the context of one or more particular decisions, because we do not have any jurisdiction except to decide appeals. Given an application in that context, then the appeals tribunal would look at what is a sensible way of dealing with it and might consider what you are really suggesting is something akin to the leading case strategy that we pursue in respect of permanent pensions.

I guess the answer is that we would be intrinsically interested in cutting down on unnecessary amounts of procedure and so on, but it is a decision that we would have to make in the context of exercising jurisdiction in the context of an appeal.

**Mr. Pope:** Apparently a policy decision or a directive is to be issued in the very near future with respect to lung cancer. Is it then relevant for the appeal tribunal to review the appeal board decisions?

I will give you one example. I have one appeal board decision that was made on the condition that it could be brought back when the Muller study came out. There was a medical diagnosis of chronic obstructive lung disease, small airway disease, medium airway disease, emphysema and asthma—I did not mention that. There were seven different diagnoses and the man died of lung cancer.

If we go to the leading-case method, first, you are going to have at least eight or nine different individual cases in which the cause of death is not said to be lung cancer when in fact it is. Second, even for those in which the cause of death is agreed to be lung cancer, you are going to have four or five different leading-case methods. How are we going to deal with that? We are going to do it; the Steelworkers, myself and the widows' organization are going to do it. I am going to start next week.

**Mr. Ellis:** I am a little concerned about responding to Mr. Pope's submissions. We are an adjudicative tribunal. We have certain defined jurisdictions. We have an obligation to approach any issue in an unbiased state of mind. This process is beginning to put a case to the leading members of our tribunal and may well be rendering us all incompetent to decide the case when it finally comes before us. With great respect, I would like to adjourn that discussion to a more appropriate forum.



**Mr. Chairman:** I am a little nervous about it too, Mr. Pope. As a legal person yourself, do you see the point Mr. Ellis is making?

**Mr. Pope:** I see the point, but I also do not see an answer as to what process the widows and their families are supposed to use. That is what I am asking. What process do we go through?

**Mr. Chairman:** Perhaps we could put it that way, without getting into the merits of any of the cases, or even generally the cases. What process is there? You could even step outside the bounds of the goldminers, if you like, because I could give you examples of other problems, such as white-hand disease. What process is there available when there is a what I as a layman would call a class action kind of approach to a problem? Is there a process for us and them?

**Mr. Ellis:** We pioneered a process in the permanent pension disability case, which basically was to recognize that there were a number of generic issues relating to permanent disabilities and, through our general counsel, to discuss with both employer and worker constituencies the identification of one or more cases which would throw up the issues in an appropriate and representative way. Then we were able to select a particular case and deal with the generic issues in the context of that specific case. We were then dealing with an appeal on a particular case, and our jurisdiction and powers fell into place under the act.

If the worker advisers are still here, I suspect there will be some groaning at the bar back there if I suggest another case of the dimensions of the pension leading case, but certainly Mr. Pope is identifying very serious issues, obviously issues that will apply to numbers of cases. It may be that is a reasonable way of tackling it.

**Mr. Pope:** Are you saying I should discuss it with counsel to a tribunal in terms of process, that this might be the route?

**Mr. Ellis:** Yes. It would be most appropriate to discuss it with David Starkman, our general counsel, unless he has quit in the meantime.

**Mr. Pope:** He is writing something out.

I have just one other question. Where are we in terms of establishing some basic jurisprudence? I had, I do not know if it was the fortune or misfortune, to represent an injured worker who travelled from Timmins to Toronto. We listened to four hours of procedural motions by a law firm representing Stelco. It was a rather interesting legal exercise but it did not do much for the injured worker when he flew back that night to Timmins without having said a word in the

hearing. Is a lot of that stuff out of the way now, like challenging the right of counsel to be present, challenging the right of counsel to make his summary, challenging the right of counsel to be retained at all by the board?

1540

**Mr. Ellis:** Yes, much of that has gone by the board. I think Mr. Di Santo would say that the issues are still live ones but the cases are not being impeded by the exploration of those issues to the extent that they were in the early going when everything was new and surprising.

**Mr. Thomas:** If I might also comment, in the first six months or so that was a fairly serious problem. There were a number of situations in which the role of the tribunal counsel office and the way the hearing process should work were raised in hearings. My experience has been—and I have probably heard between 125 and 150 cases—that over the last six months or so the process has streamlined itself quite a bit so that a hearing that was taking anywhere from three hours to six hours this time last year is now running off in two or three hours. We are overcoming a number of the issues that were causing problems with the hearing process.

**Mr. Pope:** Who would I see, then, to get this case rescheduled? It has never been called back, and that was nine months ago.

**Mr. Ellis:** David Starkman would be a good person to talk to.

**Mr. Starkman:** I will give you my phone number.

**Mr. McClellan:** I say to Mr. Ellis right off the bat that I substantially agree with the observations that you made in your introductory remarks about the work of the tribunal since it was established.

I have two areas of concern that I would like to raise with you this afternoon. The first deals with whatever happened to the Villanucci case. In your first report, dated October 5, 1986, on page 17—

**Mr. Ellis:** January.

**Mr. McClellan:** January, right. It says, just for the record—we want to get this on the record—that you discussed the tribunal's strategy of using a single appeal to establish a body of decisions around the issue of pension rating. Final arguments in the leading case were delivered the week of October 13, and the decision could not be realistically expected before January. The leading case strategy, as of October, had delayed 260 individual cases.



Today, we have an update in which the number of pension appeals on hold is up to 400, pending the decision on the Villanucci case. Some days it seems like half of them are from my own office. Most of us have a number of cases, some of which go back to the date of your establishment in October 1985.

I simply have to say to you that you have to resolve the Villanucci case. Those of us who are giving you the benefit of the doubt and an extended honeymoon period are now saying to you that we cannot wait very much longer because our constituents have run out of patience. It is unfair to ask injured workers to wait any longer, because they are in the position of being denied justice by virtue of the delay.

Can you tell us when we will have the Villanucci decision?

**Mr. Ellis:** May I say, in my turn, that I agree with everything you have just said about the fact that we have long since reached a point where this decision ought to have come down.

We are about six weeks away from publishing a decision. I want to say two things. We have not been wasting any time on it. It has taken this long because it has proved to be even more difficult, when one got down to saying what exactly one would do and why, than it appeared at the time of the hearing. You are right; it is much too long. We are treating it as our highest priority. We think it is six weeks away.

**Mr. McClellan:** I am very glad to hear that. I would ask you to start scheduling cases now, because it is no longer possible to explain to injured workers why it has taken, in some cases 18 months without even a date scheduled. It would be very helpful if that scheduling process could start to occur, perhaps in another two weeks.

**Mr. Ellis:** Okay. We will have a look at that. We are beginning to organize ourselves so that, in addition to the parties, those who are waiting for this decision in all those cases, the individual appellants and their representatives and the employers and their representatives, will receive an early explanation of the decision, its implications and so on. We had not thought of going ahead now and scheduling some cases. That is probably a good thing to think about; we will take that under advisement.

**Mr. McClellan:** It is even a better thing to do. Thank you, Mr. Ellis.

The second question has to do with section 860, leave to appeal, and the criteria the tribunal seems to have evolved in deciding which cases can be brought to the tribunal in appeal against

decisions of the old WCB appeal board; and how. It is fair to say on behalf of my caucus colleagues that we did not expect a strict interpretation of subsection 860(3). The rationale for setting up an independent appeal tribunal was an acknowledgement that the old appeal board lacked many of the fundamental aspects of natural justice.

There was a case that could be made on the ground of natural justice alone that it was appropriate that virtually any case that had been adjudicated by a tribunal that was composed of the very people who were responsible for the decision-making in the first place would be eligible to go to the tribunal. I understand the language of the statute. I gather it has its own meaning in jurisprudence, but it seems to me that a more balanced interpretation is possible, even within the language of the statute.

I do not think anybody anticipated that it would be necessary to go through a rigorous test to establish the right of appeal against the appeal board to the tribunal. I do not think any of the legislators anticipated that; I do not think any of the spokespeople for labour or injured workers anticipated that. It represents a serious problem. There is a whole legion of people who, quite frankly, gave impetus to the kinds of reforms that led to the creation of the tribunal in the first place. A whole legion of people struggled in Ontario for almost 15 years to set up an independent appeals mechanism. Most of them had already exhausted their rights of appeal under the old system.

#### 1550

Many of these very same people find themselves denied access to the tribunal by virtue of the strict interpretation. This represents a serious problem. Many of them find it difficult to understand or to countenance that they are required, virtually, to prove the validity of their case before they are granted an opportunity to try to prove its validity before the tribunal.

I want to stress that it is a serious problem that the tribunal has taken such a strict interpretation. I would like to hear some discussion from you on why you have taken such a strict view of this section of the statute, and whether it would be possible to acknowledge some of the reality that led to the creation of the tribunal in the first place and to try to come up with what, from our point of view, would be a more balanced approach to the question of access to the tribunal.

**Mr. Ellis:** I am hesitating because this is a new experience for me, as it is for us all. I am a little worried, again, about the propriety of defending, in this forum, decisions of the tribunal. Having

said that, let me try at least to explain my understanding.

First, let me correct the suggestion that seemed to be present in your comments, Mr. McClellan. We did not set out to determine that we were going to adopt a strict or otherwise approach to this decision. It is a question of interpretation of the act. It is a section that contemplates two distinct things: an appeal right and a right to apply for leave to appeal.

The reasons in the tribunal's decisions are simply recognizing the Legislature's intent that those two are not intended to be the same thing; that if a piece of legislation goes to the trouble of defining a different set of circumstances for one group of people from that applicable to another, it must have intended a different kind of an approach. You are saying, basically, that if we had decided it differently, we would have granted the leave. But why did the Legislature not just grant the right to appeal to this group? If it is not the same as a right to appeal, it must be different. How is it different?

We have had to look at the language the Legislature used, and the judicial interpretation of similar language in other kinds of settings. It is enough to say that I think the interpretation is reasonable, given the wording of the statute. Also, it is like other issues before the tribunal. It is an issue that is evolving, and we are short of the point where it can be said to have been settled in every aspect.

**Mr. McClellan:** In the language of the statute, there is an acceptance that there need to be some criteria so that the so-called "frivolous" case will not be consuming a great deal of time of the new tribunal. There were two criteria set out that there be substantial new evidence. That seems to legislators to be fairly clear. I gather that "substantial" has its own meaning in jurisprudence, and if that is a major difficulty, then perhaps we should be looking at amendments. I do not think it was the intention of the Legislature to be applying some really difficult test to the quality of new evidence.

**Mr. Thomas:** Although that ground has not proved to be as difficult as the other ground.

**Mr. McClellan:** Which is what I was coming to. There has to appear to the tribunal to be good reason to doubt the correctness of the decision of the appeal board. I do not think I am being inaccurate or exaggerating when I say that when this statute was passed, given the history of controversy with respect to the WCB and decisions of the appeal board, sometimes rendered by doctors at the board who were in charge

of the same medical doctors who were rendering the opinions on which the original decisions had been based, there would be a kind of common-sense approach to this.

Where, for example, independent medical evidence that contradicted the evidence of the WCB doctors had been set aside by the appeal board in favour of its own medical opinions, that would be pretty good in terms of the good reason. I gather that is not uncommon, and I do not believe I am being unfair in saying you are very strict in applying the test of good reason when deciding which cases will be allowed to proceed to a hearing at the tribunal.

I understand what you are saying, and I am sure you understand what I am saying. If we have a problem because of the language of the statute, it would be useful to know that. Perhaps we need to be making recommendations to the Minister of Labour (Mr. Wrye) about a change in this section. I say very strongly, at least on behalf of my colleagues, that it was not our intention to pass a statute that denied access to a generation of injured workers who had already taken their cases to the appeal board, lost and still continued to feel a very strong sense of injustice, of justice denied, and who wanted their day in court before an independent tribunal. For some people that has not been able to happen.

When the Villanucci case is disposed of I am concerned that there will be another wave of applications for leave to appeal. I do not know whether there will be a hurdle because of the language of this section. I certainly hope there is not. If there is any anticipation that there is going to be, I think we should know about that early enough to be in a position to bring in a legislative amendment, if that might be helpful.

**Mr. Thomas:** Is there a question?

**Mr. McClellan:** Some response to those observations would be—

**1600**

**Mr. Ellis:** We simply do not have any right, jurisdiction or power, as an institution, outside of our making of decisions in the context of an appeal, to identify or anticipate a problem with the wording of the statute. In terms of advance notice, I am not sure that we are equipped to provide you with that.

**Mr. McClellan:** Can I make a suggestion? I realize I have made things things difficult for you. Perhaps it would be helpful if you could prepare a short summary of your experience with leave-to-appeal applications. That may already



be done in many respects. Could it be compiled and summarized?

**Mr. Ellis:** Yes, we can do that.

**Mr. McClellan:** That might be helpful for us, with an indication of what the criteria are as they have developed over the course of the past 18 months; and an understanding of what has been happening to actual cases as they have been coming to the tribunal, with a summary of reasons for their acceptance or rejection. I do not know what state of readiness this kind of material would be in or how much work would be required to put it together, but if something could come to the committee reasonably quickly we might be able to look at it even before the House comes back into session in April or shortly thereafter.

**Mr. Ellis:** We have no difficulty with that. I suspect it will take us a week or so to put it together. Is that acceptable?

**Mr. McClellan:** That would be wonderful, yes.

**Mr. Chairman:** Sure. You can send it to Todd Decker, the clerk of the committee.

**Mr. Taylor:** Mr. Chairman, what are we seeking here? Some criteria or—

**Mr. Ellis:** As I understood Mr. McClellan's request, it was for a summary of the cases we have already decided and—

**Mr. Taylor:** That is cases where you have granted or denied leave to appeal?

**Mr. Ellis:** Yes; we are beginning to do that as a matter of course, for the education of our own people and eventually for the education of people appearing before us. It would not be outside of what we have already started to do and I think it would be entirely appropriate.

**Mr. Taylor:** I understand that; I am just wondering what benefit the committee is going to get from that.

**Mr. Ellis:** Well then, over to Mr. McClellan.

**Mr. Taylor:** That is why I was directing my remarks to the chairman.

**Mr. McClellan:** I can say it again, prefacing it by reminding my colleagues that Mr. Di Santo made reference to this problem in his blue document he gave to us. His final point was a concern about the narrowness of the criteria adopted by the appeals tribunal in granting leave to appeal.

In the light of what Mr. Ellis has said, perhaps if we had a document from the tribunal summarizing the development of criteria on a case-by-case basis over the past 18 months, we could have an understanding of whether we need to

recommend to the Minister of Labour—if that is something the committee wants to do; it is certainly something I want to explore—that there needs to be amendment to the statute making it easier for injured workers to bring an appeal.

**Mr. Taylor:** Without engaging in a debate, Mr. Chairman, I see something forthcoming in the nature of a précis of a case or a series of cases, from which the committee then is going to have to abstract some common principles that might alter those cases and that would assist the committee in determining what principles apply in assisting the board to determine whether leave to appeal should be granted or denied.

What I am saying is that there may be another chore for the committee once this is received.

**Mr. McClellan:** But part of that chore, I hope, may be performed by the tribunal itself in its summary.

**Mr. Ellis:** There is obviously a danger, when we embark on a summary, that we begin to express further opinion as opposed to simply summarizing what we have already said. We know about that line, and in preparing this type of material we are attempting to stay on the right side of the line. It seems to me probably possible to distil some general principles that run through the decisions and then to give you a précis of the way in which those principles have been applied in particular cases.

**Mr. Thomas:** As a point of information, there are between 70 and 100 decisions published now.

**Mr. McClellan:** Do you have a record of the decisions in terms of grants and denials?

**Mr. Thomas:** No.

**Mr. Ellis:** The Workers' Compensation Board might have it, but I do not know whether it is counting in that area or not.

**Mr. McClellan:** Presumably that would be one of the pieces of information you would give us.

**Mr. Ellis:** I presume that would be available from the précis. We committed early on to a policy that we were not going to count. We are not in a daisy-picking operation, so that is one statistic we have deliberately steered away from compiling.

**Mr. McClellan:** I have heard you say that you are not in the business of daisy-picking, but we are.

**Mr. Ellis:** I understand that.

**Mr. Haggerty:** Following on similar lines, I was concerned about the first report of the Workers' Compensation Appeals Tribunal, ap-



pendix C, the chairman's memorandum to the vice-chairman. I was concerned about the last paragraph there. I do not know what decision XXX is; I have no idea what it is, whether it is just a number or something that was pulled out of mid-air.

**Mr. Ellis:** It is just intended to anonymize the case.

**Mr. Haggerty:** I see. I am a little concerned about the terminology or the indications in the bottom paragraph and, I suppose, the appeals system. It says: "The failure to acknowledge that there is another way to read the section also, in my view, opens the reasoning for fair criticism. The reading outlined in the memorandum of the counsel to the chairman is, arguably, as 'clear' a plain-meaning interpretation of the section's wording as the one you have accepted. It would strengthen the decision to acknowledge the other possibility and explain explicitly why it is right to conclude that the Legislature intended whatever interpretation the panel thinks is right." I am a little bit concerned about that comment. Can you expound on it or give us a little more reasoning for that comment?

**Mr. Ellis:** This was a sample of the memorandum that I picked out as exemplifying the kind of process in which we were engaged in attempting to achieve some uniformity in terms of decisions and standards of decision-writing and so on. Basically, what that paragraph is directed to is a situation in which there was, to my eye and the eye of my counsel, two different ways of reading the section. It was an ambiguous section.

The original draft indicated that there was only one way to read the section, that the plain-meaning sense led you inexorably to a particular conclusion as to the meaning. I was drawing to the attention of the chairman of that panel the view that the failure to recognize that it could reasonably be read in another way weakened the overall decision, because it opened it up to that criticism. In effect, the draft was making a statement about how plain the meaning was, when anyone reading it would think it was not quite as plain as that. I was suggesting to the vice-chairman that he or she should acknowledge that it could be read in different ways, and in the decision to give reasons for preferring one way over the other.

1610

**Mr. Haggerty:** Is that not pretty strong advice to give? You take a look at that and say, "Can justice be denied in an appeal if whatever the panel thinks is above what the Legislature has

suggested?" To me, it is giving the panel a bit too broad a power if we say, "Whatever you think is above what the Legislature thinks about it."

**Mr. Ellis:** Where the meaning of the act is clear there is no problem. The difficulty is that there are limits to the drafting skills of everybody and legislation can and has been written—the Workers' Compensation Act has certainly been written in ways that leave it open to different interpretations.

**Mr. Haggerty:** Can you name some of those sections offhand; do you have something the committee should be looking at? Maybe legislation should be amended to clear that up.

**Mr. Ellis:** We would be here for a long time.

**Mr. Haggerty:** Are you saying that the whole act can be interpreted in various ways?

**Mr. Ellis:** I am saying that legislation generally is replete with ambiguities and situations where the language did not contemplate the actual facts as they happen to arise. There are two different ways an ambiguity can arise. One is that the legislation intended to deal with the subject but that it used words that can be read in different ways. The other is that the legislation did not contemplate how the issue would come up in the real world, so you have to extrapolate from what is there to what the Legislature must have intended. This act, as others, is replete with instances of that, and this is what we are predominantly involved with all the time. If the language is plain we do not spend any time with the legislation. It is only when it is not clear that our role comes into play.

**Mr. Haggerty:** Can you cite any particular section of the act that you have most difficulty with?

**Mr. Thomas:** One example might be subsection 8(9), which takes away a right to sue and requires that the workers of "both employers" be in the course of employment. There have been a number of cases that have come forward in which there were not just two employers—there was one employer or there were three employers—and the issue became what do you do with subsection 8(9), where the wording seems to contemplate two by the word "both," but the intention may have been not to limit it to just two. It may have been to have it apply where there is only one or where there are more than two employers. That is a case in which we would have to wonder what we should do with the wording of the act in a situation where it was contemplated that perhaps the right to sue might have been taken away if there were not just two employers.

That is one example. There are a number under section 8 of the act that we have had to deal with on section 15 applications.

**Mr. McClellan:** I was temporarily thinking about something else. Forgive me if this came up in the past few minutes. Did somebody raise the question of bottom-line decision-making power between the board and the tribunal?

**Mr. Ellis:** No, nobody asked about that.

**Mr. Thomas:** Good. I am nervous to ask this question at this point. Has the tribunal given any thought to the question of what happens after the WCB exercises its prerogative under subsections 86n(1) and 86n(2) to instruct the tribunal to reconsider a decision, as I gather it has done with respect to decision 72? That process on decision 72, obviously, is not complete. In your view, where does the ultimate decision-making power reside on appeal? Is it with the tribunal or, ultimately, does the WCB have the power to overturn a decision of the tribunal through the exercise of section 86n and section 75 together and shred your decision?

**Mr. Ellis:** We have not had occasion to interpret the language of section 86n as it applies at the stage following a board decision different to ours and a direction back to us to reconsider, as that language contemplates.

We are aware that there are different views as to what the words mean. We will not be in a position to come to a decision about that, as a tribunal, until such an instance arises and we are required to make that decision in the context of dealing with the case in which it arises. We will all have to be left in some state of suspense until that process comes to a natural halt.

**Mr. McClellan:** I gather there have been no occasions where the board has exercised subsection 86n(4), the power to give a stay of order against the decision of the tribunal.

**Mr. Ellis:** No, there has been no occasion for that.

**Mr. McClellan:** Good.

**Mr. Haggerty:** I have one final question. Your first report does not mention anything about financial costs involved. What does it cost to operate your facilities at 505 University?

**Mr. Ellis:** The 1987-88 operating budget is \$8.2 million. There is a capital budget of \$1.6 million.

**Mr. McGuigan:** Mr. Di Santo gave us a figure of 73 per cent as a success rate for the office of the worker adviser. He admitted that the example may not have been absolutely correct.

In your experience, do you agree with 73 per cent?

**Mr. Ellis:** My understanding from listening to Mr. Di Santo was that he was referring to the total experience, both with cases before the board and the appeals tribunal. My impression is that it would be fairly substantially high for the appeals tribunal itself. In my capacity as ex officio member of the WCB board of directors, I am aware of the board's data in this area. My understanding is that a figure between 50 per cent and 60 per cent for the appeals tribunal would be closer.

**Mr. Gillies:** Mr. Ellis, there has been considerable discussion today, both with the representatives of the office of the employer adviser and the office of the worker adviser on what some of us perceive to be an increasing complexity or an increasingly legalistic approach to cases at the appeals level. In Mr. Di Santo's brief, he cites that leading MPPs, trade unions, legal clinics and other community organizations that may have felt competent to represent injured workers at appeal in the past now leave that privilege to the office of the worker adviser. Certainly, we got that impression from the office of the employer adviser too.

Can you comment? First, are you running into many situations where you have people appearing at appeals who do not prove to be either competent or otherwise able to proceed with the hearing? Second, can you comment more generally on the impression and the comments made earlier?

1620

**Mr. Ellis:** To answer your first question, there is no doubt that on occasion we encounter representatives who do not come prepared to assist the tribunal or their clients. I would like to address this question at some length, if I may, because I understand the concern about it and I think it is very important to the future of this whole system that the elements of this be well understood.

On the way by, I point out that at tab 4 of the materials there are some data on who is appearing before us. You will see there are worker representatives who, in about 16 per cent of the cases, are lawyers. In that category of lawyers would be included clinic staff lawyers. For the employer, the figure is about 10 per cent. It is not true, at the moment at least, to say that the proceedings are being taken over by lawyers. We do not anticipate that will happen.

By and large, the people in Mr. Di Santo's group are not lawyers and they are very



competent and very effective in their appearances before us. We have a tribunal where every panel has at least two nonlawyers. Two of them are with me today. We have a number of panel chairmen who are not lawyers. The committee might be interested in exploring with the nonlawyers inside the tribunal what the perception is about its complexity and the penchant for legalism that is mentioned so often.

My understanding is that the nonlawyers within the tribunal are not having any difficulty in dealing with the procedures. Certainly they are continuing to play a very important role in the decision-making process, in the running of the process and in the design of the process, because they are also involved in the administration and management of the tribunal. This is not an institution that is dominated by lawyers, if I can make that point in the first instance. We do have a number of lawyers in the tribunal counsel office, but that is not at the management level.

If I can put it a bit in perspective, take a look at the nature of the case load. If you take the WCB's 400,000 claims, we are dealing here with less than half of one per cent of the WCB's total case load. Our estimation of our steady-state stream of cases through our appeals tribunal is something under 2,000 a year, once we get it all straight and all the transitional backlog out of the way. If you take the roughly 100,000 lost-time injuries the WCB deals with, we are talking about something around two per cent of the total WCB case load.

We are dealing with a very small piece of the total compensation picture to begin with, and that piece is, by definition, the most complicated piece of the total picture. If they were easy cases they would be resolved in the less complicated and less structured processes that are set up within the WCB that emphasize speed, expedition and so on. When those cases come to us, they are cases in which either the worker or the employer has failed to achieve what he wanted to achieve in those more expeditious processes. They are naturally cases in which the issues are complicated and serious. I do not need to tell this committee that very often they involve very serious stakes: tens of thousands of dollars of benefits, lifetime pensions, a worker's credibility. The stakes in these cases are very substantial and compare with the stakes found in any kind of rights adjudication in this province, in my respectful submission. We start with that.

When we talk about it being a legalistic or excessively complicated system, it seems to me important that we look at the pieces of the system and identify which of those are presenting a

problem. Written decisions with complete reasons are new. First, we are mandated to do it by the statute. Second, we think it is essential to do it in order to be able to serve the principle of uniform treatment, the principle that like cases ought to receive like treatment.

The final reason that decisions with complete reasons are necessary is that it is the only way the appeals tribunal has of giving direction to the Workers' Compensation Board. I suggest, and I think I heard Mr. Di Santo say, that there are no complaints about the decisions, by and large. They are clear and straightforward, and people have generally liked them.

All right, so it is not the decisions that are excessively complicated. Is it the fact that we insist on reading and interpreting the act? This is different from what went on before the appeal board. That is overstating it by a long way, and I do not mean any criticism of the board, but as I tried to explain in the first report, the appeal board was a different kind of a thing. It was natural that they would start from the accepted board view of the act and then look at whether the facts, the medical issues and so on, fitted.

We have been established, and in my view the legislation requires us, to check out whether the decisions fit with the act. It seems to me that in addressing this legalistic question, you have to ask yourself whether you are content that we should be interpreting the act. In my submission, everybody would agree that it is important that we say when the act does not support what the board is doing, when it does and so on.

The next thing that you might take out of our process is the idea of advance notice of the issues and evidence that will be dealt with at a hearing. That commitment to having both parties understand what the issue is going to be when they get before the appeals tribunal has a legalistic ring to it. That is what lawyers do in a legal proceeding; no question.

Do people not want advance notice of the issues? Advance notice of the issues requires the case description that our tribunal counsel office prepares, an outline of the undisputed facts and identification of where the facts are at issue and a description of the issues as the tribunal sees them in looking at the file and so on. Then the parties are given an opportunity to tell the tribunal whether that is a sensible view of the issues and whatever.

That advance notice and the opportunity to influence the description of the case as it is seen for the first time by the hearing panel is an essential piece of the total process, but it is



rather lawyer-like in its outline. Again, if you are addressing this question of complexity, it seems to me you need to address the question of whether the case descriptions and the prior description of the issues and so on are important. I suggest they are.

1630

Then, if you go to the process itself, there is the cross-questioning, which is new. The cross-questioning did not take place at the appeal board, and there are arguments to be made that we ought not to be doing cross-questioning. I do not know what the office of the worker adviser or the office of the employer adviser would say on that issue, but certainly from the tribunal's perspective we find the cross-questioning to be extremely useful, probably the central most important thing that happens in the process in terms of the panel getting a real feel for what the issues are, what the true story is and so on.

That cuts both ways. It is cross-questioning of doctors, workers, employer witnesses and so on. That is legalistic, but again it is not enough to ask the question, "Is it legalistic?" You have to ask the question, "What is wrong here?" Cross-questioning might be, but that is not our view and we would be very sorry to get any kind of direction that we ought to abandon that approach.

The other part of the process that is rather lawyer-like is the submissions. How should the wording of the act be read? What are the possible ways of reading it and why is one way better than another? If you are going to have the panel reading and interpreting the act, surely you want the parties able to assist the panel with how that is to be appropriately done.

As I understood it in our discussions with our advisory group in other places, the real concern about our procedures is in the area of our adjournment policy and the so-called "three-week rule," in which we require advanced disclosure of evidence and so on. Those two things are very lawyer-like, very court-like, and there has been a lot of criticism of them.

There is a big problem there. We have gone to the policy we have gone to in order to be able to achieve a production level. We had a period when we backed off our adjournment policy in response to the strong criticism. We discovered you either have an adjournment policy or you do not, because if you do not have a very strong rule it becomes very difficult to draw the fine lines between this and that request for adjournment. What happens is that all the adjournments are granted in due course, and you end up with 30 per cent to 40 per cent of your hearings not going

forward. That means you have panels sitting around and hearing rooms unoccupied, and you cannot push production forward at the rate you need to do in order to achieve reasonable disposition rates.

The policy on adjournment is, no adjournment except in exceptional cases, and we are striving to ensure that nobody really suffers a serious prejudice by reason of the application of that policy. Our sense of it is that, because of the strong position we have been taking, we are getting fewer and fewer requests for adjournments. People are getting used to the idea.

We set the date by consultation. We send the case description to the parties, give them an opportunity to look at it and then call them up and say, "Okay, when do you want the hearing?" The date is set by consultation with the parties. After that we say, "Do not come to us for an adjournment unless somebody has died." I do not mean it literally, but in other words it is a strong rule. The result is that our adjournment rate is down in the order of 10 per cent to 15 per cent, and we are able to meet hearing schedules of 170 to 180 a month, which we would not otherwise be able to do.

You could decide to give us a direction about the adjournment policy, but it ought to be a decision that reflects the impact on the production rates, the use of resources and so on. What is good for one side is good for the other. If you are looking at it from a worker's perspective, if there is not a tough adjournment policy then the adjournment is just as readily available to the employer as it is to the worker, and vice versa. We have just concluded that you cannot run the railroad without a tough adjournment policy and not have people being delayed even more than they are.

I have been too long, but what I am really pleading for is that if this committee is addressing the legalistic charge that has been levelled at the tribunal from day one, it has to address it in some detail. It will be destructive if the committee looks only at a general idea about it and not at the specific elements. I respectfully suggest that if you look at most of the specific elements, you will find that they work and are necessary parts. The decisions we are producing, which everybody likes, do not happen by accident. They are the product of a process. Each element of the process contributes to that, and you ought not to tinker with a piece of it without understanding something of the nature of the element you are talking about.

I am sorry to have gone on, Mr. Chairman.

**Mr. Chairman:** Do you have another question, Mr. Gillies?

**Mr. Gillies:** No, I appreciate that it is a very comprehensive response and a serious question. It is all very well for us to hear complaints that it is a very judicial process, but what you are saying is that part of that is due to the instructions you are given by statute and part of it is to ensure that you give an adequate and fair hearing to the matters brought before you. If we are going to recommend changes, we had better look at the whole package very carefully.

**Mr. Ellis:** Yes, that is my submission.

**Mr. Chairman:** Thank you, Mr. Ellis, Ms. Lankin, Mr. Thomas and Mr. Jago—I should also recognize your backup team headed by Mr. Starkman—for appearing before the committee

today. You really have been helpful, and we invite you to drop in for the next couple of days, when I am sure you will be mentioned by the advocacy groups on both sides. Both employer groups and injured worker groups are appearing all day tomorrow.

**Mr. Ellis:** Would you like us to be here?

**Mr. Chairman:** I am not sure you need to be here to take part in the debate. I only extend the invitation for your interest.

**Mr. Ellis:** We will be sure to cover it, in any event.

**Mr. Chairman:** Thank you very much. The committee is adjourned until tomorrow at 10 o'clock.

The committee adjourned at 4:37 p.m.

### ERRATUM

No.	Page	Column	Line	Should read:
R-25	R-576	1	1	<b>Mr. Pierce:</b> May I say that the services that are provided by the Ministry of Northern Develop-

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**SPEAKERS IN THIS ISSUE**

Gillies, P. A. (Brantford PC)  
Haggerty, R. (Erie L)  
Hennessy, M. (Fort William PC)  
Laughren, F., Chairman (Nickel Belt NDP)  
Mackenzie, R. W. (Hamilton East NDP)  
McClellan, R. A. (Bellwoods NDP)  
McGuigan, J. F. (Kent-Elgin L)  
Pierce, F. J. (Rainy River PC)  
Pope, A. W. (Cochrane South PC)  
Taylor, J. A. (Prince Edward-Lennox PC)

**Witnesses:****From the Workers' Compensation Board:**

Haugh, G., Executive Director, Communications Division

**From the Ministry of Labour:**

Di Santo, O., Director, Office of the Worker Adviser  
Tait, R., Manager, Toronto Office, Office of the Worker Adviser

**From the Workers' Compensation Appeals Tribunal:**

Ellis, S. R., Chairman  
Thomas, J., Alternate Chairman













# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

#### **Standing Committee on Resources Development**

Annual Report, Workers' Compensation Board, 1985

#### **Second Session, 33rd Parliament**

Thursday, March 12, 1987

Morning Sitting

Speaker: Honourable H. A. Edighoffer

Clerk of the House: C. L. DesRosiers



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### **STANDING COMMITTEE ON RESOURCES DEVELOPMENT**

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Stevenson, K. R. (Durham-York PC)

Wildman, B. (Algoma NDP)

Substitutions:

Gillies, P. A. (Brantford PC) for Mr. Stevenson

Haggerty, R. (Erie L) for Ms. E. J. Smith

Hennessy, M. (Fort William PC) for Mr. Bernier

McClellan, R. A. (Bellwoods NDP) for Mr. Wildman

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# LEGISLATIVE ASSEMBLY OF ONTARIO

## STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Thursday, March 12, 1987

The committee met at 10:05 a.m. in room 151.

### ANNUAL REPORT, WORKERS' COMPENSATION BOARD, 1985 (continued)

**Mr. Chairman:** The standing committee on resources development will come to order as we continue our examination of the annual report of the Workers' Compensation Board.

We have with us this morning representatives of the Ontario Mining Association, but before we proceed with them and give them a warm welcome, the committee did ask yesterday afternoon that Dr. Elgie table with the board the letter that was written to the United Steelworkers of America concerning the recognition of gold miners' claims—it is appropriate that the Ontario Mining Association is here this morning to hear this—and hopefully to have some kind of explanation of what led up to the sending of that letter. Dr. Elgie, I will turn it over to you.

**Mr. Mackenzie:** Mr. Chairman, you will know it is a question I had for both Dr. Elgie and the minister as to just what the conditions were going to be and what the time frame looked like in terms of dealing with these claims. Possibly we can get as much as they can tell us at this time.

**Dr. Elgie:** There really is not any difference in the response about the issue from the response I gave on Tuesday when Mr. Mackenzie asked about it. Clearly, there is some confusion. I have tabled a copy of the letter. I wonder if the committee will permit me to read the letter into the record so we can clarify things a bit.

This letter is a result of numerous communications that have taken place between the Steelworkers and ourselves about their natural, ongoing concern about getting on with the issue of developing criteria and of their desire and expressed interest to offer any assistance they might be able to offer in terms of identifying people who might not be present on our mining master file at the present time.

The letter is dated March 6, to Mr. Gerard. It says:

"I am writing to you now to report on the status of the board's work on the issue of lung cancer among gold miners.

"As you know, there will be two sources of advice to the board regarding the criteria which

should be applied in order to establish entitlement for benefits under the act for gold miners and mixed ore miners who have contracted lung cancer. The board originally asked the Industrial Disease Standards Panel over six months ago to review this matter and provide its advice pursuant to section 86p of the Workers' Compensation Act. In late fall the panel indicated that they could not deal with the matter in a timely fashion as had been requested. The board, therefore, struck its own expert committee, chaired by Dr. Anthony Miller, in order to expedite the review. I expect the report of the Miller committee within the next week or two.

"In the meantime, the Industrial Disease Standards Panel has managed to accelerate its own work and we are now hopeful of receiving its advice within a month. As you may know, there is provision in the statute for a period of public response to the panel's advice before the board of directors deals with the matter and finally establishes the criteria for entitlement to benefits. I would, therefore, expect the board to resolve the matter some time this summer.

"However, it has now become clear from the preliminary results of the Miller committee's work that there are very likely to be a number of individuals who will be eligible for benefits under the act. Moreover, we are now aware that the list of potential claimants as derived from the nominal roll utilized in the Muller study may not be comprehensive in identifying all potential claimants. In particular, the Muller study does not include individuals who worked in gold or mixed ore mining prior to 1955 who either died prior to 1955 or stopped working for other reasons. Some of these individuals may, in fact, have contracted lung cancer and still be alive.

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"I would think that a very useful purpose could be served by discussing the terms and conditions under which the union might be able to provide assistance to us in identifying potential claimants by locating such individuals and establishing their work histories. As soon as we receive the Miller committee's report I would be pleased to enter into discussions with you about how such an arrangement could proceed, so that we may begin the work of identifying potential claimants



in anticipation of the board of directors' review next summer.

"I look forward to hearing from you."

I hope there is no ambiguity in that. It indicates from preliminary conversations that the vice-president of policy and specialized services had that there is likely to be a cadre of people who would fit into some eligibility criteria. Along with all other members who have been concerned about the pace of this, we are simply introducing another measure to try to accelerate the eventual identification of these individuals.

I may say it is not the only step we have taken. Many months ago, Mr. Van Cleef was asked to put together a process that might help us in identifying those workers who are on the existing nominal roll; it is not a new element in the event.

**Mr. Chairman:** There are a couple of people who want to ask a couple of questions, and I think we should do that. We should not unduly extend the dialogue with Dr. Elgie at this point because of our schedule this morning.

**Dr. Elgie:** I might just say I wrote a similar letter to the Ontario Mining Association, indicating that this situation might well be forthcoming. They have indicated their willingness to offer any assistance—if criteria so designate that there is a cadre of people—in identifying those people. It is part of the process, but it is not the only part of the process.

**Mr. Gillies:** I have just one question. Several of the media reports said quite unequivocally that the decision had been made to compensate these people.

**Dr. Elgie:** That is not accurate.

**Mr. Gillies:** That is what I wanted to get to. What I take from your letter is that you are expediting as best as possible the decision-making process in this area. You expect to report within the next week or two, looking for the co-operation of the union and a decision pending. I take it from your letter that the media reports that the decision had been taken are inaccurate.

**Dr. Elgie:** That is not accurate. It is accurate that we have put in motion ways of identifying individuals, both those from the nominal roll through an extensive process that Mr. Van Cleef worked on for several months and now this process for those people who are not on our nominal roll whom we may need assistance in identifying. I think it behooves us to be prepared to deal with the matter in an expeditious way.

**Mr. Gillies:** I guess we have an additional problem now—I will leave it at this—in that based on those media reports, there are going to be a

heck of a lot of people in that area who are saying: "Great, it is on. Let us get our claim ready and contact the employee adviser or whoever we are going to." It certainly does obviate what I think you are saying, which is that it puts even more pressure on us to resolve this as quickly as possible.

**Dr. Elgie:** I regret that there was any misunderstanding. I phoned Mr. Gerard yesterday to see if he had any misinterpretation of the letter and he indicated very clearly that he and I were on the same wavelength about what the letter said. I do not know how one can alter or change what was written in a media article.

**Mr. Taylor:** Could I clarify that? Frankly, I have some difficulty with this letter. Just looking at it, it would indicate to me that the decision to compensate has been made. The question is one of criteria in establishing the eligibility for that compensation. If you read that letter, it goes further in requesting assistance in pursuing the identification of persons who might very well meet those criteria. Taking the letter at its face value and giving it an honest, good-faith interpretation, it would indicate to me the decision has been made. It is a matter of developing or fine-tuning the criteria that will be applied. I would like some response on that.

**Mr. Chairman:** That was how I first read the letter too, I must say.

**Dr. Elgie:** First of all, if one assumed nothing should happen until final and unequivocal criteria had been put in place, then one could say the board should not have carried out any internal process with respect to the laying down of a process that might be followed in the event that a cadre of people were identified as being eligible for compensation. But we did that.

This has been a long, drawn-out procedure, as members of the committee have commented in the past. As a matter of fact, the Muller study was started while I was the minister; so I have a significant interest in it. That is a long time ago, eight years ago. I do not think anyone should be critical of a board that is endeavouring to prepare for what might flow if criteria come forward to identify people who have contracted cancer as a result of exposure to work in the gold mines or mixed ore mines.

I look on this as another step in that process in which, after having had several meetings and communications with the Steelworkers and endeavouring to keep in touch with them about events as they unfold—and with the Ontario Mining Association, I might add—I simply indicated that the preliminary information before

me indicated there might well be such an identification of a relationship and if that is confirmed and once those things are settled, we should sit down and talk about ways in which they might help in identifying victims.

If there is some misinterpretation of the letter, then I regret it.

**Mr. Taylor:** With respect, you are inviting me, speaking not only for myself but I would suggest members of the committee as well, to make a bad-faith reading of this letter.

**Mr. Haggerty:** Perhaps you are stretching it a bit too far.

**Mr. Taylor:** Implicit in the letter, if you give it an obvious good-faith reading, is a message that there will be compensation. If you are looking for a bad-faith reading, then you can start to wiggle.

**Mr. Haggerty:** It says there are very likely to be a number of individuals who will be eligible; they have to sit down with the criteria and find out who becomes eligible for it.

**Mr. Mackenzie:** The interpretation that most of us would give the letter is that it has been accepted there are a number of people who meet the qualifications. I am not sure how extensive their files are, but I know that Moe Sheppard and Henry Gareau and some of the other Steelworkers' staff people, and probably local union officers as well, who have been working on this have a list of cases about which there is little or no doubt in their minds. I suspect some of them are within the category of those mentioned here in your letter. I am also convinced that two or three of the widows' groups, including Mrs. Larcher's group in Timmins and most of the 34 people in that group, are on the union list as well and are likely to qualify.

Unless you are still saying this letter does not really mean what it says and there is still some real doubt about the criteria, I guess my question is: Why can we not start the claims for those who, given the publicity, would be expecting some action now? We can pick up those on which there still may be some question in terms of the criteria, but I know there are a number of cases—I cannot put a figure on them—about which there is little doubt in anybody's mind that is the reason. Some of them have been argued since back in 1977.

**Dr. Elgie:** In the absence of criteria that identify potential claimants, it would be not only inappropriate but also improper to take any further steps other than the ones we have taken to date; that is, to set out an administrative process

internally by which we identify those people who are on the nominal roll and in which we commence preliminary discussions with organizations that might be able to assist us in identifying those who may not be on the nominal roll.

I think anyone who reads this letter clearly understands that the preliminary information we are getting is that there will be such a group of people. We have not yet received the report. When we do, and if it confirms that, we would like to sit down and have discussions with them.

**1020**

**Mr. Mackenzie:** The follow-up question to that is an obvious one; it deals with the time frame, which is what worried me yesterday. What can we do to expedite those claims even more? I think it is totally unfair. Some of those people are not going to be alive in another two or three months.

**Dr. Elgie:** I hope you will understand that the processes I have put in place have been to endeavour to expedite things when the appropriate criteria come out. The act lays down clearly certain time frames with respect to advice from the Industrial Disease Standards Panel. If they have accelerated their work to the point that they will be making a recommendation shortly, then I would intend to send the Muller report to them, but the law requires that we go through a certain process and that is why I indicated in my correspondence that it would not likely be until summer, assuming all things fell into place, before we would have that issue settled.

**Mr. Mackenzie:** We have reached the stage where every day that goes by without this being settled in terms of the people involved, the widows and the miners who are still alive, is an injustice. That is what has to be clearly understood.

**Dr. Elgie:** I hope the member will appreciate that the steps we have been taking, both internally and now this way, are an endeavour to shorten whatever time frame there may be and that we are on the same wavelength, but there are certain statutory requirements in place that I cannot avoid.

**Mr. Chairman:** Can we wrap this up with Mr. Pierce?

**Mr. Pierce:** Dr. Elgie, having received the letter just this morning and coming from a community that had in excess of 1,200 miners where there is no longer an operating union, on receipt of the letter, it would be my first purpose to go out and start to compile a list of names of



people in my community who have contracted cancer which may be related to the mining industry. I would hate to think I am giving them some false hope, but based on this letter, where you are trying to put together the people who may have been affected, there could be some hope that they would be eligible for workers' compensation. That is not what you are telling us.

**Dr. Elgie:** If anyone such as yourself were contemplating any such endeavour—we would willingly sit down and meet with you—he should know what procedures are in place that could be executed once criteria are available so he would not duplicate any work that may already be done. You should know exactly what the criteria are before any such discussion takes place so there is no misleading information. We would be pleased to have those discussions with you once the criteria come out.

**Mr. McClellan:** I was trying to find something in the Yassi report, which I finally located; it is a history of the controversy around the establishment of benefits for foundry workers in Hamilton, and it is exactly the same process.

I found a reference in 1977 to a memo from one of the board's medical executives, expressing distress about an article that had appeared in the Hamilton Spectator which would suggest to anyone reading the article that people were about to be compensated for cancer arising out of work in the foundries.

Nothing changes. We still do not have the criteria. The criteria could impose the kinds of latency requirements, 20-year exposure requirements, that would make it impossible for most of the people who are on the roll to obtain benefits anyway. The nitty-gritty work has not even begun in establishing the criteria that will lead to the payment of workers' compensation benefits.

**Mr. Haggerty:** We talk about the Yassi report. Is it available to each committee member here?

**Mr. Chairman:** It was distributed to members.

**Mr. Haggerty:** I do not think I have a copy of it.

**Mr. Chairman:** When you go back to your office, if it is not there, let Todd know and we will get you another copy. Could we move on?

We have with us this morning the Ontario Mining Association. I do not know whether there is a pattern developing here, but yesterday we had Mr. Di Santo appearing on behalf of the office of the worker adviser and today we have Patrick Reid on behalf of the Ontario Mining

Association. Welcome to the committee, Patrick. I hope you will introduce your colleagues to the committee and proceed.

#### ONTARIO MINING ASSOCIATION

**Mr. Reid:** Mr. Chairman and gentlemen, I have with me on my immediate right Larry Watkinson, who is the vice-chairman of the Ontario Mining Association's workers' compensation committee and who will present our brief. On his right is Richard Horncastle, who is the secretary-treasurer of the OMA and also secretary to our workers' compensation committee.

Mr. Chairman, with your indulgence, before Mr. Watkinson begins, I would like to make a comment about the letter that has been discussed. The OMA received its copy on Friday, March 6. We have not had time to digest it, distribute it to our board and discuss it. I must say we were a little vague about its intent and meaning. I hope we have cleared some of that up this morning.

I think the problem arises to some extent in the—I do not know if "premature" is the correct word—appearance of what I view as private correspondence—at least at this stage, until we have had a chance to respond—hitting the newspaper. The letter can be and has been open to interpretation here this morning, and the media obviously interpreted as well. I find that whole issue very unfortunate because we are not in a position to respond to the letter at the moment, not having had time to discuss it with our board of directors.

I would like to make another comment. Our view in the mining association is that there has to be a causal link between something and a disability. We are concerned, following the Muller report, that Dr. Muller indicated very strongly that people in the mines, gold mines particularly, had a seven times greater chance of contracting lung cancer if they were smokers than if they were not. I hope at some point this committee and the Workers' Compensation Board will deal with the whole issue of what is euphemistically called lifestyle but probably falls into the categories particularly of smoking and drinking and what effect they have on people's health and whether they contract certain diseases.

Having said that, I would like to turn to our brief, and Mr. Watkinson will now proceed.

**Mr. Watkinson:** The Ontario Mining Association welcomes this opportunity to meet once again with the standing committee on resources development and to comment on matters relating to the Workers' Compensation Board 1985



annual report. We believe the process of public hearings that started with the 1984 annual report to be useful and we certainly strongly recommend that these types of hearings continue.

You have a copy of our brief in front of you. Appendix 1 contains a list of our member companies. There are a total of 37, representing very close to 30,000 people directly employed in the industry.

Last year we prefaced our presentation with the safety association's accident frequency chart, which illustrates the mining industry's accident frequency, and I would ask you to refer to appendix II, which is this chart I am discussing.

The mining industry's accident frequency has decreased by 62 per cent in the past 10 years. I am pleased to announce this rate of decrease has continued through the year 1986 and that our current frequency of lost-time accident is at 3.9 at the end of 1986. It would appear after the first two months of 1987 that this trend is continuing; so we are encouraged with that.

### 1030

In terms of why we are here today, our key thrust really deals with our continuing concern with the broadening scope of our Ontario compensation system and resultant escalation in costs. However, again referring to the graph, our member companies firmly believe that the best vehicle for controlling these costs is accident prevention. Further, when an injury does occur, we believe every reasonable effort should be made to provide meaningful modified work to the injured employee. We believe the best vehicle for cost control is to avoid the accident, and we are committed to that.

However, on the issue of costs, we certainly agree, and I think employers generally agree, that we want a system that treats an injured worker fairly. As mentioned, the safety record of the mining industry continues to improve, but our compensation costs continue to escalate. Our cost per claim has increased by about 180 per cent for the period 1978 through 1986. For example, in 1978, our cost per claim was approximately \$4,600. That rose to \$10,300 in 1985 and to \$13,300 in 1986. The 1987 assessment rates are now out and show the mining industry will pay a maximum assessment of approximately \$2,850 per employee, a six per cent increase over 1986.

I think it is interesting to note that the mines in Ontario pay the highest assessment costs in Canada. The costs in Ontario are a third higher than the second highest, Quebec, and more than three times the lowest, New Brunswick. For

example, New Brunswick's average cost per employee is \$792, British Columbia's is \$1,135 and Ontario's is \$2,798. While Ontario generally has rebounded from the recession of the early 1980s, the mining industry has not benefited.

The prices we receive for our products are not fixed by the producers but by customers on international markets. Just to give you some examples in terms of metal prices, gold has dropped by 55 per cent over the past five years, copper by 45 per cent and so on. However, our costs continue to increase, and apart from natural gas and other issues like that, compensation costs have increased by 66 per cent. We would like to point out that government-mandated costs represent nearly 20 per cent of the operating costs of a mine, and the cost of compensation is a large portion of that cost.

We bring this overall picture to your attention because there is a real concern in the mining industry that the total impact of all these costs has been ignored. The concern is that this impact will affect the industry's ability to be competitive. Government-mandated costs are politically driven, and we believe politicians have a responsibility to impose controls.

Although there are many aspects of the compensation system that impact on cost, we would like to focus on a couple of those this morning. First, looking at the definition of "accident," we believe most discussions on problem areas within the compensation system can be traced back to the basic definition of an accident that results in disablement arising out of and in the course of employment.

We do not believe a new definition of "accident" is required, only that the definition and policies as spelled out in the Workers' Compensation Board manuals be adhered to and consistently applied. The problem is the ever-expanding application of the system to cover situations that have other than occupational origins.

The Workers' Compensation Board, simultaneously with the Workers' Compensation Appeals Tribunal systems, currently encompasses and provides benefits in situations where the onset of pain occurs during employment. In our view, the concept of arising out of the employment is overshadowed by the current interpretation of the presumptive clause in subsection 3(3) of the act, which states that it shall be presumed that it arose out of the employment unless shown to the contrary.

However, accidents by definition now include psychogenetic as well as organic pain. This

combined interpretation of "accident" and the presumptive clause of section 3 of the act ensure, in our view, that Ontario employers increasingly will pay assessments which are used by the Workers' Compensation Board system to provide benefits for disabilities solely and/or mainly resulting from lifestyle and ageing processes.

The sentence that comes to mind in looking at this scenario is, "If it occurs at work, then work is the cause." That seems to me to say it the way it is, and the result is rapidly escalating costs.

I do not intend to discuss further specific decisions within the Workers' Compensation Appeals Tribunal, but there are many examples that relate to the issues I have just tabled. There is decision 9, for example, where the issue of pain was debated, and decision 72, which has received a fair bit of attention and which I understand is in the process of being reviewed.

A further specific comment relating to the Workers' Compensation Appeals Tribunal is that very fundamentally what we have right now is not what we thought we were getting. Very simply, we supported the concept of an external view of the decision-making process in the board. I guess I would say we still support that.

However, in our view, the tribunal is an overly legalistic system that seems patterned on the labour relations board and is further expanding the social net involvement of the compensation system. We do not believe the backlog of cases is disappearing. We are concerned about the administrative costs of the new process of the appeals tribunal. By the way, they are somewhere in the nature of four to five times that of the review system within the board as it was.

We certainly have those concerns, and I think it is safe to say employers in general are not happy with the appeals tribunal process. We believe the remedy to the problem is legislative action to amend the Workers' Compensation Act, to spell out clearly the mandate of the Workers' Compensation Appeals Tribunal.

In terms of funding, we are told that the compensation board must be fully funded and that it is not meeting its current requirements. We do not agree with this concept. Looking first at funding, the mining industry has never accepted the premise that the Workers' Compensation Board must be fully funded, in other words, that the unfunded liability must be paid off.

#### 1040

There is no reason to fully fund the WCB unless all business is going to close up and these staggering sums of money must be put in a bank account to retire the claims of all workers on the

books the day the WCB ceases to exist. We have stated this before.

The Ontario Mining Association was invited to make a submission to the board on funding the system and such a paper was submitted on May 30. It suggested four alternatives, four different funding approaches, and these were put out for discussion purposes.

Turning to current requirements or cash flow, the Ontario Mining Association has also looked at the cash flow items on the compensation board's annual reports for the years 1980 through 1985. We note there was a cash surplus of some \$850 million or 15 per cent on total revenues before provisions for future costs. In our view, the board is generating sufficient funds to meet current costs and will continue to do so.

We have concerns about the three per cent net discount rate. With the greater leeway now provided for management of the board's funds and good financial management, the discount rate should be at least four per cent. Our submission to the chairman on May 30 addressed this issue.

Moving away from costs and funding, we have included for your committee some information on activities in which our mining association has been involved in terms of what we can do to help control costs that the board disburses in our name. Could I refer you to appendix 6, which is the last appendix in our paper?

The association was the first to appear before the task force on vocational rehabilitation and, in our view, we presented a positive brief that demonstrated the mining industry commitment to rehabilitation and reinstatement. An industry survey showed that 96 per cent of lost-time injured employees had returned to their regular employment. I am referring to our member companies. The four per cent who had not yet returned to regular employment included workers still in rehabilitation and retraining or on modified work programs.

Our brief stressed early intervention as the key to successful rehabilitation and the better utilization of existing facilities in the regions. Further to that, our 091 mixed mining rate group is part of the new employment experience rating program, the pilot project on experience rating. A seminar was held last April to acquaint our employers with the concept and a committee of the employers in the group is working with the board on its implementation.

In terms of managing injuries better, the association and our companies have stressed that accident prevention and the early rehabilitation



of injured workers is the cornerstone to reduced compensation costs. I recognize I am repeating that statement, but we firmly believe that. However, when an accident does occur, employers must become involved in injury management.

The association's compensation committee sponsored a seminar in October 1985 to discuss common problems with the compensation system and costs. From that, a subcommittee was established and a two-day seminar set up in Sudbury so that our member firms could better understand the issues related to managing injuries better. The program was intended as a self-help set of modules to show employers how to do a better job of processing claims and, in so doing, benefiting the employees by ensuring they receive the best care and attention possible when injured.

By way of conclusions, our brief from the 1984 WCB annual report pointed out that costs and trends towards a social net and the ability to fund what compensation has become are the biggest problems. We believe these problems are still before us today.

We have made three specific recommendations. First, we recommend that there be an annual exchange with the board of directors. Second, we believe there is a need for more frequent and formalized dialogue with senior board administrators. On that particular point, I would like to give the current administration of the board full credit. We had particularly meaningful input and involvement with the board in the 1987 rate-setting process. We support this model and would like to expand that concept further. Third, we recommend that annual hearings by a committee of the Legislature continue.

Our association has had meetings with senior board administrators and this is the second submission to the standing committee on resources development. We are further pleased that the board has commissioned a study of the cost structure of the workers' compensation system.

In closing, our association is prepared to work with the board and the legislators in a problem-solving fashion to make the compensation system fair, equitable and affordable.

**Mr. Chairman:** Thank you, Mr. Watkinson, for your surprising brief. I say "surprising" only because it does not call for a universal sickness and accident plan for Ontario. Maybe another day.

**Mr. Reid:** We are waiting for your report, Mr. Chairman.

**Mr. Chairman:** I see.

Several members have indicated an interest in asking some questions.

**Mr. McClellan:** You concluded your presentation by talking about a problem-solving approach, but when you identified the problem you left me behind. You have an executive summary that indicates—I do not think I am putting words in your mouth and I will not: it says the industry continues to improve its accident record, but the problem is escalating compensation costs because of an extended application of the concept of workers' compensation entitlement.

My reading of the cost problem that you are raising is a little different. My statistics tell me that mining is still hazardous to life. Fifteen miners have died as a result of accidents in the past year. Between 1955 and 1977, 800 uranium, gold and mixed ore miners died from cancer. Since 1977, the known lung cancer deaths among uranium miners have risen from 119 to more than 300. These miners are dying at the rate of three per month.

These are not political statements, these are statements that are documented through a number of health and epidemiological studies that have been done since 1977-78.

We know what the causes are for this epidemic of death among your employees. Miners are still exposed to a wide range of toxic substances underground such as radiation, radon daughters, asbestos, arsenic, silica.

We know there are problems with the standards of two of the most hazardous toxic substances that miners are most commonly exposed to, the radiation standard and the silica standard. There are still problems. The radiation standard that was set in 1977 reduced the standard to four working-level months per year across the country. In 1983, the Atomic Energy Control Board reported that this standard had caused a death rate of 60 to 250 cancer deaths per 1,000 miners, which has the potential at least for giving a death sentence to one out of four miners. That is, the current safety standard has a potential for a death sentence to 25 per cent of your work force. We also know there are major problems with the silica standard.

#### 1050

I would have thought that if you were concerned about the costs of compensating your work force for industrial injury and accident you would have talked to us a little bit—you might have said something—about engineering some of these hazards out of the work place instead of blaming the Workers' Compensation Board for



picking up the price tag for your irresponsibility as an industry.

I just say to you, if you want to have credibility in this forum—I do not think I am being presumptuous—you are going to have to talk to us about what you are doing to reduce the death rate and the accident rate in your industry by engineering out the kinds of hazards, risks and exposures that are killing your employees. I would appreciate some understanding as to why you did not deal with that issue at all.

**Mr. Watkinson:** The health care aspects of your question I will defer to Mr. Reid, but I would like to comment on the 15 fatalities you mentioned earlier in your question. This is a concern to the industry, and I can assure the committee that the industry is working directly with the Mines Accident Prevention Association. Where our employees are represented by trade unions, their input and involvement with the accident prevention aspects are sought out and encouraged. We do share that concern and I can assure you we are making every effort. There can be no aim but zero fatalities in our mining industry.

In terms of the health issue, it does touch to some extent on lifestyle and other points that were mentioned. Pat, perhaps you could comment further on that.

**Mr. Reid:** If you want a rundown on what the industry does in this regard, we would be glad to provide you with that information. I can tell you from a personal perspective that when I joined the Ontario Mining Association I was quite taken with the time, effort and concern that are spent on safety and health concerns in the mines. I am not going to argue the statistics with you. The radiation is a problem, partly a problem of joint jurisdiction between the federal and the provincial governments, and one can get into these things. This is a problem with almost all of these occupational-health-related diseases. The information or the conclusions are always arguable on both sides.

As far as silicosis goes, I may be incorrect in my figure, but I think that at most there are about four identified problems a year and those are possible silicotic problems, not people who are suffering from silicosis. As I understand it—I do not pretend to be an expert on this—mine ventilation over the years has pretty well eradicated that problem. It is still being worked on, of course.

If you want a specific example, Mr. McClellan, this is probably an opportune time. The Ontario Mining Association, through its occupa-

tional health committee, as we sit here is in the second day of a seminar on occupational health and industrial hygiene for the mining industry. It is taking place in Sudbury right now and, to our knowledge, it is the first one in Canada in which we brought all the players in the system together to discuss problems, approaches and concerns, and we hope to arrive at solutions. We intend to do this on a regular basis.

Since you mentioned some of this, if I may, I would just like to run down the agenda for you, and I will leave the agenda with the committee. I did not come prepared with it; I just happen to have it.

Yesterday they dealt with the physician's role, the nurse's role, the hygienist's role and the union's role; the latter represented by Stan Gray, who will be known to Mr. Mackenzie particularly. We wanted to hear the union's point of view in that regard.

In the afternoon yesterday, there were speakers on metal toxicology, nickel, cadmium, arsenic; also some people from the Ministry of Labour have been participating in those. Today they are dealing with chemicals in the work place—solvents, welding, work place hazardous material information, WHMIS; and of interest to some of us, particularly those of us who have quit smoking and are now very much holier than everybody else, smoking in the work place.

This afternoon they will be dealing with physical hazards in the work place—back care, ergonomics, noise, vibrations; and tomorrow they will be talking about lung diseases, silica and silicosis, radiation, diesel emissions, aerosol physics and so on.

The industry is spending a lot of time and effort trying to deal with these matters, but there are no simple, easy solutions. If you had had the opportunity to listen to the people there yesterday; they had professors, practitioners in the field. To some extent, this is an unknown field. We are concerned about the number of deaths that occur and I suggest you might want to read some of the coroners' reports on some of those deaths.

A lot of them are on the same basis as you get on airplane accidents, where it turns out 95 per cent of the accidents on airplanes are caused by pilots' errors. Somebody forgets to do something at the right time, a slippage in thought, and unfortunately something happens. In almost all these things you have related to, Mr. McClellan, cigarette smoking seems to be a synergistic element in a lot of these occupational-health-related fields, and that is why we believe the

eradication of smoking in the work place would go a long way in solving—not solving, but relieving the instances and the severity of a lot of these things.

In Canada, 35,000 people died from lung cancer related to smoking in the last year. The combination of cigarette smoking and some of these substances that are found in the mining environment or that are used in the processes are not a good mix. There has to be some individual responsibility in people looking after their own health in that regard, and we are asking the Ministry of Labour, the Ministry of Health and the unions to co-operate with the companies in making our mines and mills smoke-free areas for their own protection.

**Mr. McClellan:** If I may—I am sure my colleagues have much to say—I have two short points. The 1983 comprehensive study issued by the Ministry of Labour, the Atomic Energy Control Board and the Workers' Compensation Board, which tracked over 50,000 miners, indicated that their rate of violent death was 11 times that of the general population. Their deaths from cancer of the trachea, lung and bronchus were 81 per cent higher than the general population. It is not that I disagree with anything you said about the importance of campaigns against smoking, but you are missing the point. The rate is 81 per cent higher than the population, which has the same general rate of smoking behaviour.

1100

I am making the case to you that as long as you talk, as you have in the past, about the folly of trying to separate an insurance program between occupational factors and nonoccupational factors, we are in agreement. When you talk about a universal accident and illness insurance program, you are making sense to us; but when you talk about blaming your cost problems on a modern interpretation of occupational disease and make presentations to us that ignore factual reality, then, quite frankly, we just tune out.

**Mr. Reid:** Unfortunately, I think you have missed the point. If you want to talk about a universal scheme as we did last year, we are quite prepared to do that. We still believe that regardless of what causes an accident, at some point, whether industry pays or the person does not get paid, he still needs an income. We are here to tell you that we are doing our best. There is a lot more to be done. Nobody is minimizing it. If you look at the figures, regardless of your study, you will find that in the numbers game—which I do not particularly like, I must

admit—working in a mine is safer. The only people who have a better record in reducing accidents are the hospitals and the pulp and paper industry.

**Mr. McClellan:** Your accident rate is going down because basically your work force is evaporating.

**Mr. Reid:** That is not the way the statistics are kept. I asked that question myself. It is done on the basis of a formula that does not reflect the number of people involved. We would be glad to hear from the chairman about his views on some kind of universal accident and sickness insurance program. I would be glad to accompany him or the committee to New Zealand to look at it personally.

**Mr. Chairman:** I have already been there.

**Mr. Gillies:** First of all, following on Mr. McClellan's last point, from my brief interpretation of the statistics on your chart, I read that as a frequency chart. By my interpretation, it should not be affected by the level of your work force, because it is frequency per employee-hours worked.

**Mr. Watkinson:** That is correct. Your interpretation is correct.

**Mr. Gillies:** The thing that bothers me about this whole area is that we go around very piously saying—in the last couple of years, I have even started doing it myself—that the only way to reduce compensation costs is to reduce the number of accidents, which is a motherhood statement to the nth degree. The thing that bothers me, from the statistics you have presented, is that this is not the case at all. In the past five years, the way I read your chart, the accident frequency rate appears to have been cut in half. I am reading it at about a 6.8 frequency five years ago, in 1981, and about 3.4 now.

**Mr. Watkinson:** That is correct.

**Mr. Gillies:** At the same time, in your brief you tell us that in the past five years your compensation costs have increased 66 per cent. That really bothers me, because what it is really telling me is that the motherhood statement we all throw out at these hearings with great abandon is not true, is it?

**Mr. Watkinson:** No.

**Mr. Gillies:** Your accidents go down and the costs do not go down, do they? What the heck are we going to do? What is happening with this system that the costs seem to be so completely out of control?



**Mr. Reid:** Part of the reason is that the Legislature, in its wisdom, periodically increases the benefits to be paid in terms of maximum levels payable, indexing and so on. To the board's credit, it has instituted a cost study of the board's structure and is hoping to get behind the numbers. One of the reasons for the increased costs is the persistency rate. I cannot remember the exact year, but 10 years ago or even less, an injured worker would be off for two weeks. Now he or she will be off work for 12 weeks or 14 weeks and will be compensated for that time. The persistency rate is one of the reasons and the legislative cost requirements are another. The board is doing a study which we hope will give us some better figures to explain what has happened.

**Mr. Gillies:** You note also in your brief that you submitted suggestions to the chairman of the board on May 30, 1986, suggesting four alternative funding approaches. I wonder if I might ask Dr. Elgie what the status is of the consideration of those approaches. I presume other organizations were similarly invited to make submissions on that question.

**Dr. Elgie:** We have met several times since then. I cannot recall if we discussed those matters or not, but my recollection is that some of the proposals were that government, the consolidated revenue fund, make some contribution and that there be some worker contribution. Is my recollection correct, Patrick?

**Mr. Reid:** No.

**Dr. Elgie:** What were they?

**Mr. Reid:** We were talking about alternatives, particularly the unfunded liability. We can be here all morning, as the good doctor knows, talking about the discount rate, the interest rate that the board gets. Part of that is what do you get as the return on the investment of the money that the board is holding. In our view, they have always used a very conservative figure of 2.5 per cent or about that.

**Dr. Elgie:** It is three per cent now. It used to be seven per cent. You did not complain about it when it was seven per cent.

**Mr. Reid:** We think if you use four per cent, which we believe would be a more realistic figure, you would obviously ratchet down the supposed costs. I am sure Mr. Wolfson or Dr. Elgie could explain. We do not understand how we get an unfunded liability of \$5.4 billion; or whatever it is at this moment as we sit here, no doubt it is more.

**Mr. Gillies:** I wonder if you are aware that while there is a 30-year plan in place for the elimination of the unfunded liability, the committee was told the other day that before we ever reached that point, the unfunded liability would likely grow to about \$10 billion. It is going to go up a heck of a long way before it starts to come down. Does that cause you any concern? I see in your brief you do not seem unduly concerned about the unfunded liability.

**Mr. Reid:** We are, because it reflects on the assessment rates and what we have to pay. Depending on what one uses as a number and the time period to pay that off, it is going to have an effect on the rate structure. Certainly, we are concerned about it. I never understood to my satisfaction how we got to the \$5.4 billion and now the \$10 billion. I am sure by next year when we come back it will be \$20 billion.

**Mr. Chairman:** I can feel vibrations from Mr. Wolfson that he wants to make some comment on the numbers.

**Mr. Wolfson:** I would like to clarify one or two of those numbers. First, Mr. Gillies refers to the actuary's suggestion at the hearing on Tuesday that the unfunded liability might peak at some time around the year 2003 at \$10 billion. What is to be remembered is those are 2003 dollars, it is not in 1985 dollars.

1110

**Mr. Reid:** Thank God.

**Mr. Gillies:** What you are telling us is that is about \$1.98.

**Mr. Wolfson:** No, it is not quite that good, but it is in nominal dollars rather than constant dollars. The estimates in constant dollars are that there is still some marginal increase in the unfunded liability above the current level, which is just under \$6 billion, but we are close to the peak. It is sustained there until around the year 2003 and then drops precipitately. So we are not anticipating a significant increase in the unfunded liability in real terms, in constant dollar terms; that is one point of clarification.

**Mr. Reid:** We saved \$5 billion

**Mr. Wolfson:** We saved \$5 billion, yes.

If I might clarify on the discount rate, as Mr. Reid accurately points out the board historically has taken a conservative view of the real rate of return that could be realized on its investment fund. We are now adopting a slightly more liberal approach to the number that can be estimated and have increased it to three per cent on the advice of the consulting actuary.



The climate for the investment market has changed somewhat and, more particularly, the board has received authority in the statutory amendments to Bill 101 to engage in investments in equities. On that basis, the consulting actuary of the board, the external actuary, recommended that it would be prudent to increase the discount rate, the real rate of return on the board's assets to three per cent but not further. It was that advice that was accepted by the board of directors for the 1987 year.

**Mr. Haggerty:** It has been suggested there is more there.

**Mr. Wolfson:** No. The consulting actuary indicated that it would not be prudent to assume that we could realize more than a three per cent rate of return in real terms over the long haul.

**Mr. Gillies:** Mr. Chairman, I will try to draw this to a conclusion because I know there is a time constraint. I am getting really bothered about this whole area, to tell you the truth. I am now beginning to think that the conventional wisdom that reduced accidents reduced costs is bunk, and I am looking for evidence to the contrary.

We have a system where, as I understand it, the number of employees of the board has doubled in about 10 years, despite automation. We have a system where the appeals process is getting more complex, legalistic and time-consuming than ever. I do not suppose you have an answer for this. I am just wondering where the heck this is all leading and what we are going to do about it. If a comprehensive accident and health plan were put in place, have you any position or thoughts on how that would be funded?

**Mr. Reid:** In our submission last year we touched on this. We do not have any magic scheme that is going to solve all these problems, but we think it could be funded by the employers and by the employees, and those who are going to receive benefits should all be involved. We see that happening, and that is a matter that could be negotiated collectively by the unions or the workers' representatives as a benefit that people would receive as part of their overall pay package or remuneration, that their portions would be paid by the employer.

That is a possibility, but we believe if you are going to be compensated or have an income to live on, which surely should be the bottom line of all this, then all those involved should also pay. They are going to pay somehow or other, through taxation or somehow; I do not think it is an impossible dream. If we believe people have a right to a reasonable standard of living, it seems

to me whether somebody has a heart attack off the property or on the property, that person still needs an income to live.

I have been where you people are. You have people coming to your doors, phoning your offices every day. Some are legitimate and maybe some are not; but regardless, if they cannot work they still have to live. The compensation system fully funded by employers should not be the entire social safety net to fund all those costs, partly because it cannot.

One of the things I have learned since I left this place is that it is a tough world out there. In the mining industry, we are in international competition. The costs, whether they come from the Ministry of the Environment, the Ministry of Labour or compensation cannot just be tacked on the price of a pound of nickel and say, "By the way, we have upped our cost today." There is too much competition out there for that to happen. I think you have to keep in perspective that these costs are making some industries, some employers, uncompetitive.

**Mr. Pierce:** Following up on my colleague's questions, you make reference on page 6 to the paper that was submitted to the chairman of the Workers' Compensation Board. Can we have copies of that submission? It might be interesting reading. We always like to read things. We have a lot of spare time around here.

**Mr. Reid:** We will be glad to send you a copy, or Dr. Elgie can send you a copy. Maybe Leo Gerard has one.

**Mr. Chairman:** Mr. Reid, perhaps you can send the committee a few copies.

**Mr. Reid:** I will send some of these.

**Mr. Chairman:** We can distribute them to members then.

**Mr. Pierce:** I have just a couple of short questions. I wonder if the Ontario Mining Association, in conjunction with the Canadian Mining Association, has studied compensation packages around the world as they relate to your competition? You do deal in a world-based market; you do not deal in an Ontario-based market or a Canadian-based market. Have you done any of those kinds of studies?

**Mr. Reid:** The information is difficult to get and it is difficult to compare. Believe me, it is difficult to compare even across Canada. Our best information is that in most countries, such as the United States and some of those countries, it is probably comparable within those limits. When you get into the Third World countries, they do not even call it compensation. Some of

them have programs of some kind or other, but it is very hard to come up with a comparison that makes any sense. Some of them have nothing; some of them have something.

**Mr. Pierce:** So the mining industry really does not have a comprehensive package of what is going on in respect to competition as it relates to compensation?

**Mr. Reid:** Just in very large ball-park numbers that I would not want to put any credibility in.

**Mr. Pierce:** I note also your conclusions in appendix VI, where you make reference to the experience rating program. Perhaps you can tell me what the experience has been in the mining industry. My understanding is there have been some small reductions in the actual rates to the mining industry, but as they relate to some of the larger companies and not the small companies. Do you have any information on that?

**Mr. Reid:** This gets rather complicated.

**Mr. Pierce:** So does the scheduling under experience rating.

**Mr. Reid:** You cannot look at the mining industry as a homogeneous entity with one rate. There are eight rate groups, and in some cases—uranium, Mr. McClellan's example—they are in a rate group by themselves. Nickel has a rate group and there is gold and mixed mining. It varies depending on what rate group they are in.

In relation to that I must say the board, in my view, has become much more open and amenable to discussion on these matters than it has been in the past. The experience rating, as you know, was simply if you got a good experience and got your accidents down then you paid a lesser rate at the end of the day after some very complicated formulas.

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The problem really is that when you get very small rate groups, two or three companies in a rate group, you really run into problems. Somebody may have a horrific problem for whatever reason and you could put him out of business, in effect, if you stick to that kind of a proposition. It is not a cut-and-dried operation, although we have the gold and mixed mining where we have a sufficient number of companies that are quite anxious to get into experience rating.

**Mr. Pierce:** You may be aware that in the woods industry where there are small contractors—we have a number of them now throughout northern Ontario—experience rating is having what I would say are some dramatic

effects on what happens within a small company. One accident can literally drive its rates so high it could bankrupt the company.

They are small in numbers—they may have five employees—but because they are in the woods industry they are included in the experience rating program. In a major company, one that may have 150 employees in the woods industry, one accident does not affect its rate as dramatically as that of a small contractor.

Are you experiencing that in the experience rating program with small companies over large companies? I know, for example, Inco is experiencing a decrease in the rate of its compensation. The rate went down 70 cents or 35 cents or something this year. What about the smaller companies which have fewer employees and still have only one or two accidents? Have you heard from them at all?

**Mr. Reid:** That decrease is not related to an experience rating program because we do not have one yet. We do not have any active experience because we have been going back and forth to the board for about two years, and it is hellishly complicated, there is no other way to describe it. One of the reasons it is so complicated is to protect, if that is the right word, the small companies so that they do not get into a position where one serious accident can put them out of business.

**Mr. Chairman:** Maybe that is what you are trying to say, that you are wrestling with it. Are you in favour of the experience rating for your membership?

**Mr. Reid:** The gold group has agreed and has asked for experience rating because it has the largest number of companies. They believe it would be to their benefit to try it, and we were hoping their experience would be a model on which we might expand it for the rest of the rate groups.

All these things sound so great in theory. It is like a universal health and accident plan; it sounds great but when you try to put the nuts and bolts to it, it gets hellishly complicated. I do not know. The forestry industry spent some time in coming up with its plan and obviously it has got some leaks.

**Mr. Horncastle:** I do not really want to prolong it, but it is the 091 mixed mining rate group that is the pilot project for mining. There are companies there with two or three employees all the way up to the largest in the group, Kidd Creek, with 2,000-plus.

Part of the problem is getting a formula that is going to treat everybody fairly. I do not want to



get involved in a discussion on this formula because very few understand it except a few actuaries, but it supposedly has a mechanism in it that is going to protect the small employer that has an infrequent accident.

I know they are wrestling with the problem. They have wrestled with this in the forest products industry, the same consultant who helped design the formula is also working with the rest of us in designing our formula. There are some warts in the system they are trying to smooth out. We feel it is necessary to have an experience rating plan that is going to reward those that have good performances.

**Mr. Chairman:** Mr. Pierce, we do not want to prolong this debate much longer because the Employers' Council on Workers' Compensation, which is a significant employers' representative group, is waiting. Mr. Offer, a final question.

**Mr. Offer:** I have two short questions. One evolves from the first page, where you talk about the decrease in accidents of 62 per cent, and you use appendix III as justification. Basically, I would think you are looking at your paid claims of 8,915 in 1978, reduced in 1986 to 5,645.

I have a question evolving from that. I do not have an idea as to the number of miners, not employees. I know you talk about employee hours in appendix II but not employees, miners. I am wondering whether you have a figure to show those particular paid claims as a ratio to the number of employees in your association.

The reason I am asking is that not long ago, a couple of weeks ago, this committee was discussing another matter, closures and layoffs, and the type of graph shown from 1978 to 1986 was very much the type of employment in the industry. It went from 1978, it peaked in 1980-81, and then because of the recession and many other reasons it started to reduce. I am wondering whether the 62 per cent, as you have indicated on page 1, is being related directly to the number of miners.

**Mr. Horncastle:** No, it is not. We could have very easily put the number of employees.

**Mr. Offer:** No, miners, not employees.

**Mr. Horncastle:** With respect, we are talking employees in the mining industry. There are miners and mill workers. We are talking about employees. We could have very easily put the schedule here, which would have shown the same decrease in the number of employees. There is no question there is a decrease in the overall number of employees. The relative

figures are the fact that those claims being paid are costing a lot more money.

**Mr. Offer:** I am not disputing that for a moment. What I am talking about is the fact that the accident frequency had decreased by 62 per cent.

**Mr. Horncastle:** Based on the number of hours worked.

**Mr. Reid:** It is not based on the number of employees.

**Mr. Offer:** I would like to know what is the ratio in 1978 in paid claims to employees and how that progresses to 1986. Has there been a 62 per cent drop in paid claims to employees?

**Mr. Horncastle:** It would show the same ratio because they are talking here about the number of claims per hours worked. It would be the same ratio, though, on the number of employees. It has to be. You have employees who are working. It is going to show exactly the same ratio. That is why I did not bother to show it.

**Mr. Offer:** We are talking about absolute numbers in paid claims. You are saying there were 8,915 in 1978. If there are 100,000 persons employed in the mining industry as miners—I am not talking about administrative staff—and in 1986 there are 5,645, I do not dispute a 62 per cent reduction, but if there happen to be, because of layoffs and closures, only 50,000 persons employed as miners, then I would respectfully suggest the 62 per cent might not be exactly the picture I would like to get.

**Mr. Watkinson:** I think I can help clarify that for you.

**Mr. Chairman:** We are getting into a debate here that might be better dealt with between Mr. Offer and someone from the Ontario Mining Association when you have left the table.

**Mr. Reid:** It is essentially Mr. Gillies's question as well on the frequency based on 200,000 hours.

**Mr. Offer:** Perhaps you could provide us with the number of persons employed through your association from 1978 to 1986 so that I could then write a ratio and satisfy myself as to the increase.

**Mr. Reid:** We could do that.

**Mr. Chairman:** Okay. Why do you not do that, Mr. Reid?

**Mr. Reid:** I would be glad to.

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**Mr. Chairman:** Before you go, there are a couple of things I was wondering about. One is the accident rate for underground miners. You



have isolated that for your association. Second, those costs per claim are all in current dollars and it is not fair to use the number in a very dramatic way one time and not another. To be consistent, if you want to prove a point, then you must be consistent throughout, and that \$13,000, to be fair, should be expressed in 1978 dollars or some other constant. Can we leave it at that? We would appreciate it if you could give us that information.

**Mr. Reid:** Yes. We will send you the material you have asked for and respond to all the questions.

**Mr. Chairman:** Thank you very much for your appearance before the committee. We appreciate it.

The next appearance is by the Employers' Council on Workers' Compensation. Will the representatives come to the table? As most members will recognize, the Employers' Council on Workers' Compensation over the past few years—perhaps it will explain to us—has taken on what I think is a significant role in speaking for employers across the province on the whole question of workers' compensation. I do not know who is the lead spokesperson. I recognize Ms. Andrew. I do not know whether she is the spokesperson, but would whoever introduce the delegation?

#### EMPLOYERS' COUNCIL ON WORKERS' COMPENSATION

**Ms. Andrew:** We are pleased to be here this morning on behalf of the Employers' Council on Workers' Compensation. My name is Judith Andrew. I am from the Canadian Federation of Independent Business. On my immediate right is John Blogg from the Ontario Nursing Home Association. To the right of John is David Frame from the Council of Ontario Construction Associations. To his right is Les Liversidge from L. A. Liversidge and Associates. If it pleases the committee, I would like to begin reading our submission into the record.

The employers' council is a broadly based coalition of 27 industry and trade associations representing the majority of employers in Ontario. The ECWC members represent most sectors of the economy and employers of every size. The council was formed in 1983 and has had the pleasure of appearing before the standing committee on a number of occasions. As always, we are appreciative of this opportunity to appear before you to consider the annual report of the Workers' Compensation Board.

Since the standing committee on resources development last met, major changes have been implemented in the Ontario workers' compensation system. Bill 101, Bill 32 and Bill 81 are now in force and have had great impact in the work force and the employer community. At the same time, developments which we believe were not anticipated by the framers of these statutes have arisen. In support of this statement, we need only observe the effects of the Workers' Compensation Appeals Tribunal on the very foundations of the province's WCB structure and practices.

During the formative stages of developing new workers' compensation laws, employers have consistently stressed their allegiance to the tenets of workers' compensation. The system was originally designed as a pro forma, no-fault insurance plan for injuries arising out of the work place in an age when society had not yet established any type of universal sickness, accident or pension plans.

Historically, it is also true that the main thrust of employers' concerns regarding workers' compensation have concentrated on cost-effectiveness. This is hardly surprising considering it is employers who are charged with financially maintaining the system.

Our feeling that workers' compensation has become a social net, taking on more than its fair share of social responsibility, is wholly justified in the light of current events. The WCAT, which seems determined to usurp a policymaking role that rightly belongs to the board, has in recent leading cases redefined the definition of "accident" in effect to make the employer liable for any unexpected injury that happens on the job, shifting the onus of proof to show that employment made no significant contribution to the occurrence of the injury and, in so decreeing in a question of such magnitude, challenging the proper role of the board. It also called for submissions from interested parties in order to determine a policy through quasi-judicial precedent in the setting of pension awards.

In our presentation to the committee on the 1984 WCB report, the employers' council made important reference to the need to keep the cost of the system under control and to establish goals and objectives that clarify the role of the board and how best to achieve a balance between delivery and financing of required services.

At that time, we noted that the 1980s had been a significant era for workers' compensation in Ontario, that is, a period of transition in which major structural changes had been introduced through legislation and a time in which an

ongoing escalation of costs threatened the viability of the system.

One year later, our concerns remain the same. Notwithstanding the threat posed to the integrity of workers' compensation by recent structural changes, we continue to view with alarm the tremendous escalation of costs created through unparalleled administrative expansion. Taken on a per claim reported basis, administrative costs in constant dollars have more than doubled over the last decade.

I refer you to appendix 1, which is the last page of the report. You can see in constant dollars the 1976 figure is about \$62 for the average cost per claim. By 1985, it reached \$130. We are also of the opinion that with the extensive reorganization that has taken place and the regional expansion, we expect the 1986 figures to be staggering.

Employers appear to have little or no control over the costs of the system. For example, between 1975 and 1985, total claims have risen by eight per cent, reaching 427,000 roughly. The number of employees of the board has risen by 83 per cent, from 1,800 to 3,000 employees. Administrative expenses have gone up by 407 per cent, from \$22.6 million to \$114.6 million. Benefits paid out are up by 436 per cent, from \$394 million to \$2.1 billion.

**Mr. Gillies:** The fastest-growing business in the province.

**Ms. Andrew:** It certainly is.

If we were to make the following assumptions: if the increases shown above for the period 1975 to 1985 were to continue through the period 1985 to 2005; if the annual increase in the consumer price index averages four per cent; if employment in Ontario rises in accordance with the budget paper of the Treasurer (Mr. Nixon); if the total WCB claims fall from 427,000 in 1985 to 420,000 in 1995 and to 413,000 in 2005—this is not an unreasonable assumption in the light of experience rating; if the number of board employees continues to rise at the 1975 to 1985 rate; if benefits keep pace with that period; if the payroll for assessments rises in accordance with the increase in employment and CPI at four per cent; if the assessment rates increase as a percentage of payroll; and if the administration expense follows the 1975 to 1985 trend, then the results would be as shown on page 5, in the chart.

We will see an increase of board employees from 3,300 in 1985 to 10,050 in 2005. The benefits paid go from \$2.1 billion to \$46.5 billion. Administration expense goes from \$114 million to \$999 million. The unfunded liability—and we did not have room for all the zeros

here—reaches a grand total of \$614 billion by 2005. We expect the system would probably collapse.

There is a point in time—and we do not know exactly where—when employers in Ontario could literally cease to be able to pay this kind of money and obviously they would have long since ceased to be competitive.

**Mr. Blogg:** We believe the interests of the committee would best be served by a review of ECWC recommendations brought forward last year, with further discussion in the light of subsequent developments.

1. Persistency rates or duration of claims: The 1985 employers' council recommendation was: "A full review of persistency rates must be immediately undertaken by the new corporate board, with its report to be made public. The disturbing trend in increased duration of claims is of tremendous concern to employers. The duration of claims has gone from an average of 7.5 weeks during the 1975-79 period to an average duration of 10 weeks since the 1982 recession."

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The year 1985 saw no change in this situation. In conjunction with this development, there has been a consistent upward trend in the lost-time claims as a proportion of all claims. Since 1980, this proportion has risen steadily from about 40 per cent to 48 per cent through periods of declining and rising overall accident rates. At the same time, claims duration for initial temporary compensation has increased. From 1980 to 1984, the average initial duration of benefits rose from 23 days to 28 days. Although economic recession appeared to contribute to the growth in claims duration, there has been no comparable reduction in initial duration in the economic upswing that followed. A review is more urgent than ever.

We are pleased to see the Workers' Compensation Board has taken the initiative to commission a study and we look forward with interest, as indeed this committee does, to the results of this analysis. We expect definite action from this report.

2. Unfunded liability: In 1985, the employers' council recommendation was, "A task force, including the WCB and employers, should be established to set out a strategic direction for funding the unfunded liability."

The unfunded liability of the accident fund was \$1.2 billion at the end of 1975. By the end of 1985, it had reached \$5.3 billion. Both figures are expressed on a fully indexed basis, using a net discount rate of three per cent. In the meantime,



the average assessment rate increased from \$1.45 on a ceiling of \$13,500 to an estimated \$2.31 on a ceiling of \$31,500.

The board decided to adopt a strategy of 15 per cent increases in each year of 1985, 1986 and 1987 to counter this challenge. Even so, and even if we accept the premises on which the decision was made, a turnaround will have to await the next century.

As the ECWC stated before this committee last year, employers may be prepared to accept the financial responsibility for funding workers' compensation as an insurance concept if there is a clear understanding that the WCB will operate on the basis of recognized insurance industry principles, including full scrutiny of claims.

While it is true that a position of the increased costs of the system has come about as the result of legislative amendments—and we hasten to add that recent WCAT decisions are certain to enlarge this portion—the remainder of increased costs appear to derive from other factors, some already discussed. These include increased persistency rates, a higher incidence of pension awards and a greater frequency and duration of pension supplements.

For the employer, this means that for each worker earning the average assessable wage in 1986, the assessment levy on average was almost four times the amount payable in 1975—approximately \$542 compared with \$138.

3. Assessment policy: The employers' council notes that last year's committee report was all but silent on this topic. Only fleeting attention was focused, and then only indirectly, on the issue of what and how Ontario employers are assessed in order financially to support the province's system of workers' compensation. This, we contend, hardly indicates an equitable and complete approach to examining difficulties inherent in the board's policies. To refresh the committee's memory, the ECWC in last year's submission made the following recommendation under experience rating:

"Top priority should be given within the WCB to implementation of experience rating within Ontario. The application of experience rating to those industry groups who agree to it should be put in place as soon as possible. This should occur prior to the introduction of other proposals such as wage loss."

Already, great consideration has been given to the provision of experience rating for all employers in the province. The employers' council supports efforts to apply the fairest system of assessment possible on employers and believes

that all employers should be given this opportunity.

The board reports that it now administers three experience rating plans affecting 51 of 109 rate groups. The NEER or new experimental experience rating plan, which sets a unique employer assessment rate partly based on the firm's past experience, is a positive approach towards fairness, since it uses the ultimate costs of a firm's claims in a year, including overhead costs, and correlates it with the employer's assessment for that year. NEER was adopted in 1984 for four rate groups. In 1986 the plan was approved for six other rate groups. At this time, there are outstanding requests for NEER by five rate groups.

The verdict on NEER is still out, but while our initial optimism has not diminished, we are concerned with the lack of administrative support provided the program. For example, many employers in the NEER system simply have not been informed through regular management reports of their status. Unless performance is measured and reviewed, many of the benefits of experience rating may be lost.

Then we talk about expansion of rate groups. In 1985 the Employers' Council on Workers' Compensation recommendation was:

"The WCB should consider the practicality and fairness of expanding the number of rate groups to better match employers who are competitive in the marketplace. Employers often feel they are incorrectly placed in an industry rate group with different functions. They have repeatedly asked for more realistic classification, or in some cases, a separate rate group."

Some of our members report some progress with the Workers' Compensation Board. The ECWC makes the strongest possible request that the standing committee on resources development focus its attention on employer assessment policy. A balanced view of workers' compensation demands that the principles of equity be applied to the injured workers and the employers, whose financial contributions entirely support workers' compensation in Ontario.

**Mr. Frame:** Let us for a few minutes take a look at the subject of vocational rehabilitation.

Last May, when the Minister of Labour (Mr. Wrye) announced the creation of the Ontario Task Force on the Vocational Rehabilitation Services of the Workers' Compensation Board, the ECWC greeted the news with its full support and with a firm pledge to co-operate in such a crucial project.



Our group is totally committed to the board's taking a leadership role in activities that constitute an integral part of the workers' compensation concept. We long have felt that such leadership was lacking and that a system fraught with difficulties was in dire need of a systematic and thorough review.

The ECWC reaffirms its commitment to positive measures which would reform the vocational rehabilitation services of the board. We urge the board to adopt a forceful, sophisticated and innovative leadership role within the network.

We welcome the various endeavours in this field reported by the board in its 1985 report, which include: a policy and program development section to reflect the commitment to vocational rehabilitation policy development, program evaluation, staff training and research; staff training programs; pilot projects on creative job search techniques; and expansion of work site analysis services.

The ECWC must caution, however, that a fundamental break from the past practice should be the objective of these initiatives. The ills of the system cannot be cured by simply throwing dollars at the numerous problem areas that beset it. Adding more channels to a bureaucratic network cannot serve as a solution.

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We refer to the submission prepared and presented by the Council of Ontario Construction Associations to the vocational rehabilitation task force. We can only agree with and emphasize the importance of many of the points made by COCA; they include the following:

1. Vocational rehabilitation action does not begin soon enough; early intervention is essential. A sense of urgency must be instilled in the administrators of the program. We note on average a worker is injured 18 months before the board steps in, and on average, the board is dealing with the worker a further 11 months until either he is placed or the board gives up on placing him. Therefore, in total, these workers are in the care of the board for 29 months, a time we consider to be much too long. Fifty-five per cent of these are successfully employed at the end of this process.

2. There is a lack of an integrated interdisciplinary team approach with problems viewed with a "business as usual" attitude.

3. Effective involvement of medical resources, both within and without the WCB, is lacking and is often more concerned within a

routine benefit administration and not vocational rehabilitation.

4. Communication between key WCB operating areas—claims, vocational rehabilitation and medical—is poor, with little co-ordination of effort between these key areas.

5. The programs developed by the WCB are not for the most part significantly goal-oriented, as we believe they should be.

6. Administration of clause 40(2)(b) and subsection 45(5) is such that rehabilitation is often impeded.

7. Medical resources throughout the province do not appear to be effectively utilized. The importance of early and effective treatment cannot be overstated and can be aided by the use of these facilities.

8. Increased co-ordination between the Workers' Compensation Board and the Ministry of Health is called for to ensure that adequate treatment facilities are provided throughout the province. Not only will this eliminate delays for workers requiring treatment, it will reduce the strain on the board's Downsview rehabilitation centre.

The COCA submission deals with these points in detail and includes a series of recommendations designed to alleviate ills within the present system.

While we look forward with interest to the report and recommendations of the task force, we wish to state that a certain code of conduct is expected of such a task force. We were disappointed in December of last year in the manner in which matters were disclosed to the press. Such actions are likely to undermine the very legitimate and important mandate of the task force.

**Mr. Liversidge:** I would like to turn now to the subject of the Workers' Compensation Appeals Tribunal, having the opportunity to look at the progress of the tribunal one year later.

Just over a year ago, when the standing committee on resources development last sat to consider the Workers' Compensation Board annual report, the impact of Bill 101, and in particular the impact of the WCAT, lay in the realm of speculation. The employers' council has monitored the tribunal's first year very closely. We take absolutely no satisfaction in reporting that the concerns and fears we expressed, as indeed were voiced also by the worker constituency and members of the legislative committee itself, have become manifest.

While we do not wish to ignore any of the positive influences of the tribunal, let it be clearly

understood that the basis of our objections to the conduct of the WCAT in its first year of existence arises from a conviction that the very integrity of the Ontario workers' compensation system is under attack. The relationship of the board to the tribunal is of no small consequence. We have witnessed the creation of an overwhelmingly bureaucratic system whose penchant for legalistic procedure becomes an obstacle to accessibility for worker and employer.

It is very instructive to review the past year's operations of the Workers' Compensation Appeals Tribunal in the light of testimony heard before the committee in October 1985. At that time, the newly appointed chairman of the tribunal, Mr. Ellis, stated, "We are planning a tribunal capable of dealing expeditiously and fairly with 145 cases a month or 1,750 per year."

In response to questions concerning the amount of time necessary to dispose of an appeal, Mr. Ellis assured the committee:

"There is an amount of preparation necessary to have the case ready for an expeditious and meaningful hearing. A six-month goal is a reasonable one, based on the experience of other tribunals and so on.... I would not promise every case will be dealt with in six months. I believe a great majority of them will be, and those that take longer will take longer for good and substantial reasons."

The first report of the WCAT brings us up to date on this, as it turns out, optimistic forecast. On page 17, that report states: "Thus, of the 2,250 cases received, 650 have been dealt with finally—either with or without a hearing—and 310 are awaiting decision after completed hearings." Even allowing for difficulties in the first year of the tribunal's operation, such progress hardly warrants optimism for the expeditious handling of present and future appeals.

At the same committee hearing, several members voiced concern over excessive legalistic procedure devised by the tribunal, to which Mr. Ellis responded:

"The word legalistic refers to procedure that is unnecessarily complicated and fraught with difficulties created by lawyers and the law as a matter of tradition without much regard for its usefulness. Off the top of my head, that is the kind of thing I think of when you talk legalistic.... These proceedings will not be legalistic. Neither will they be proceedings in which the injured worker, or indeed the employer, will need to hire lawyers."

Since Mr. Ellis's testimony, the growth of both the role and staff complement of the tribunal

counsel office hardly have allayed fears of an excessively legalistic approach. Of greater importance, especially in terms of future consequences, is the tribunal's adoption of the leading case strategy. With respect to the intended weight of such decisions, representation of interested parties by legal counsel is, at the least, a prudent choice.

In one case in which the employers' council participated, the cost of legal representation was in excess of \$150,000.

**Mr. Haggerty:** I hope that was taxed.

**Mr. Liversidge:** Actually, in the light of the circumstances, it was quite reasonable.

**Mr. Haggerty:** Just the beginning.

**Mr. Liversidge:** I heard an unofficial comment that an estimate for the entire cost of those specific proceedings—I do not know how accurate the number is, but I heard it unofficially from a member of the tribunal—would be between \$2 million and \$3 million. I do not know if that is accurate.

The Employers' Council on Workers' Compensation has consistently opposed the leading case approach to workers' compensation. Our opposition is based on an understanding of a clear division of powers. It is the role of the Workers' Compensation Board, as mandated by statutory authority, to determine policy. As an appellate body, the tribunal has been granted extensive fact-finding powers. However, section 86n of the Workers' Compensation Act precludes interference with board policy determination.

As a final note on the first year's operation of the Workers' Compensation Appeals Tribunal, the employers' council strongly suggests that the 1986-87 tribunal budget of \$9.8 million is an extraordinary amount, particularly when viewed in the context of a final WCB appeal board budget of \$1.5 million.

We encourage the committee to offer some needed direction to the Workers' Compensation Appeals Tribunal. We believe that the recommendation contained in last year's report is both justifiable and reasonable. Six months for an appeal at any stage throughout the process is simply too long. Of greater concern, though, is that the six-month standard appears unattainable in even the most routine case. We are advised that even for cases where there is no hearing, such as disputes surrounding the release of relevant medical information, the entire process can take up to 12 months.

We believe that some minor administrative adjustments within the tribunal will allow it to fulfil its mandate and lessen these delays. We



suggest that the role of the tribunal counsel office should be reviewed; there simply is no need for legal input in all cases. Case descriptions should be eliminated except in the most extraordinary cases. We understand that the tribunal is up to 12 months behind in the preparation of case descriptions. Unless post-hearing investigations are called for, the tribunal should release its decision within 30 days of the hearing.

Our conclusions: Workers' compensation in Ontario is at a crossroads. We have witnessed developments since 1985 which threaten to undermine a system which has been responsive to the needs of injured workers beginning with its inception in 1915. The support of the employer community for the tenets upon which workers' compensation is built is a fact verified by historical record. Forces which in the past were responsible for creating an ongoing erosion of these principles now threaten to sweep away the very foundations of workers' compensation in the province.

## 1200

We accept without hesitation the responsibility for funding a system designed to compensate workers injured during the course of employment. The trend to extend this maxim into a form of universal disability scheme is, in our respectful submission, sheer folly. The employer community repeatedly has decried fiscal irresponsibility and the uncontrolled growth of administrative superstructure. Now, in a time of unprecedented escalation of administrative expenses, we are being forced to bear a burden of social costs far outweighing our true share of the responsibility. It is beyond any understanding of an equitable allocation of costs to use the workers' compensation system as a panacea with which to cure all of society's ills.

The employers' council supports innovative change intended to make the system more fair and responsive to workers and employers. This attitude accounts for our original endorsement of the creation of the tribunal. Most certainly, our expectations bear little resemblance to the incursion into board policymaking practices and the bureaucratic, legalistic maze initiated by the WCAT. An impasse of crisis proportions caused by tribunal decisions now blocks the WCB claims process.

We have shown that administrative costs are in an ever-accelerating, upward spiral, whereas the number of claims processed remains relatively constant. The employers' council strongly urges this committee to fully examine this disturbing

trend which we suggest will bring disastrous consequences.

There remains, as has been demonstrated, a continuity between the recommendations brought before the committee by the employer's council last year and now. The problem areas, which included our concerns over persistency rates, unfunded liability and a new approach to the present vocational rehabilitation system, have not been addressed. The fact that we reiterate the same recommendations should be seen as an indication of the urgent need to come to grips with them.

What should be done?

1. Recognize where the board is going—the 1995-2005 scenario, although obviously dramatic, shows the potentiality of the problem—and take steps to ensure that this does not occur.

2. Return the workers' compensation system to the principle of maintenance of income, medical assistance, rehabilitation and retraining for employees injured on the job.

3. Actively investigate the reason for the large increase in persistency rates. We are pleased to see the efforts the Workers' Compensation Board is making in this area.

4. Set targets for a real reduction in persistency rates.

5. Bring the Workers' Compensation Appeals Tribunal under control.

6. Audit and actively pursue those companies and/or individuals who are suspected of understating or not reporting assessable payroll.

7. Search out ways and means of increasing efficiency and cost savings in the system.

We would be pleased to answer any questions the members of the committee may have.

**Mr. Chairman:** Thank you very much. I just have one question, before Mr. Gillies. I get a sense from your group that you like the experience rating concept and endorse it in principle. My question is, if that assumption is correct, do you think it should be optional, and have you talked through the ramifications if you make something like experience rating optional?

**Mr. Liversidge:** The response to that is that the council has indeed endorsed the principle of experience rating. The board is wise in its approach to experience rating. As I understand it, it will soon be beginning a process of analysing the effect to determine if it has brought what it should bring. Those types of questions have to be answered first before we begin to address whether we wish to have a voluntary expanded experience rating program or make it mandatory across the system.



As I understand it, experience rating is designed hopefully to do three things. The first is to create an additional motivation for safety and accident prevention. The second is to create the environment so that the employer is encouraged to return disabled workers to employment. The third effect is that employer contributions are more equitably distributed throughout the system. If those three conditions are met, I do not think the employers' council will have any hesitation at all in continuing its active support of experience rating.

**Mr. Chairman:** Are you not worried, if you make it optional rather than mandatory, about who will opt for it and who will opt out of it?

**Mr. Liversidge:** One of the benefits of experience rating—and I think it has been the board practice since around 1953 when one of the first experience rating plans was introduced—is that the majority of the rate group can dictate how it wishes to be managed. It seems to me if experience rating has shown anything, it clearly has shown that the majority of the participants in experience rating receive some advantage and benefit. It is a minority of contributors who are penalized or put at some risk. Perhaps that problem is looked after in an equitable way with respect to how people are brought into the system, even if it is left somewhat voluntary.

**Ms. Andrew:** I would like to add a couple of things, if I may. I do not think we want to leave the impression that experience rating will give employers complete control over the cost of the system. It certainly will not do that at all. It may help to make them more aware of the effects of a longer duration of claim and so on, but the persistency itself is not something they have control over. Experience rating will help to a certain extent, but it will not address all the problems of the system.

I would also like to add something with regard to Mr. Pierce's questioning of the last delegation concerning the effect on smaller firms. In terms of small businesses, they too support the principle of experience rating, but it is not clear as yet what accommodations have to be made in the formula to protect them from that extraordinary event where one incident would simply cause an increase to put them out of business. While they join with the majority of employers in the province in supporting the concept, there are some very real questions to be answered with regard to how it actually impacts the small business community.

**Mr. Pierce:** With respect to small business and what I see happening in northern Ontario,

using the wood industry as an example, the major employers are getting out of the more high-risk business of supplying wood to the mill and putting it out to small contractors. The major employers who have large numbers of employees are staying in the business. They can use highly automated equipment and the opportunity for accidents is less. They are mass-producing the wood.

The smaller contractors are then stuck with the responsibility of going into the ravines and the hard-to-cut areas, where they still operate cut-skid operations. The potential for an accident is much greater in that part of the industry than it is in the other part of the industry where one can use the large pieces of equipment that actually go in, strip the tree, clip it and lay it on the ground, and nobody is required to be out walking around.

## 1210

Those small contractors are faced with the possibility of one accident taking their rate from \$15.35 per 100, which is their base rate, up to a rate as high as \$37.80 per 100, as I said yesterday. They cannot operate under those kinds of conditions. It does not take any more than one or two accidents to put them under that classification. This is the industry I am very concerned about because this is the industry that is providing some of the stability in my part of the province. Experience accident rating is not really doing the job it was meant to do.

**Ms. Andrew:** It is a real dilemma. This is the problem with diluting the insurance principle in workers' compensation. You are focusing more and more on the individual firm's experience and asking it to cover the cost of that experience. If what you say is happening, if the smaller firms are being channelled into the more risky portions of that business, that is an important point to bring up with regard to small business. I am glad you have raised it.

**Mr. Pierce:** In conclusion, I will just say that always in drafting legislation or regulations, somebody gets caught by falling through the cracks. You cannot protect everybody. As you stated, the majority of the people in the industry—and that is great—which is the larger portion of the industry, agree that it has some potential for success, but the minority of that industry is going to go down the tube with this thing in one form or another. Again, I refer to my part of the province. These are the same people who have been providing a chance for employment to a good portion of the population in northwestern Ontario for the past 40 years. Now they are caught up in a big industry shuffle to

look for something better as it respects the masses and not the minority.

I just leave that with you. I can tell you it is a major concern in my part of the province where big industry, big companies, are getting out of the business of supplying wood products to their own mills and going to the small private contractors. One of the reasons for it is the high cost of compensation.

**Mr. Chairman:** It is gratuitous that you and I have finally stumbled upon something on which we can agree. Perhaps it is your reference to the masses.

**Mr. Frame:** Experience rating—and I believe you are talking about NEER—is a very new concept. As good a concept as most of us believe it is, it is going to need refinements without a doubt.

Speaking from a construction point of view, we have experience rating but it is a council-amended draft 7 proposal. Under the CAD 7 adjustments—and I do not think we want to get into it—the frequency model means that the ramifications of an experience such as you are talking about of a very small contractor having an accident are not as negative. I would suggest that when it comes nearer to the time for review, that is one of the things they should be looking at.

I know right now, CAD 7, with the board's help, is beginning a review of experience rating and our program. I should not be talking from the board's point of view. Obviously, you bring something forward that should be looked at for adjustments.

**Mr. Gillies:** Towards the beginning of your brief, you talk about the various administrative cost increases and so on. I have asked the board for figures on the administrative cost as a percentage of the total payout of the board, which I hope to receive. I wonder if I could add to that request, Mr. Wolfson. If your figures are correct that the total number of employees had risen between 1975 and 1985 from 1,800 to 3,000, my expectation is that with the various changes that have been made in the past year or two, that would have climbed again considerably in 1986. I wonder if you could provide me with the total number of employees at the board, the appeals tribunal, the office of the worker adviser and the office of the employer adviser, in other words all the organizations now working in this area.

**Mr. Wolfson:** We can certainly provide you with the first of those. The other offices do not report to the board. I do not think we would necessarily have accurate statistics on their complement positions. I suggest that material

might be more easily forthcoming through the Ministry of Labour, but we can certainly provide the board report.

**Mr. Gillies:** If you could provide the board figures, then perhaps the clerk could contact the other three organizations and ask them for an up to date staff complement if that is available for the appeals tribunal, the office of the worker adviser and the employer adviser. I do not think I am missing anybody.

My understanding, and I am looking for some figures, is that for every \$2 paid out in a claim about \$1 is used in various administrative ways and this is, as I think you have pointed out, a considerable increase over the past. I have some interest in that.

**Mr. Wolfson:** That is not the actual ratio, even if one constitutes administrative costs in the most broadly defined category possible, the ratio would be more like six to one, administrative costs comprising about 16 per cent of the total cost of the system, rather than a third.

**Mr. Gillies:** I will check those figures then.

**Mr. Pierce:** Supplementary to that, does that take into account the amount of money that the Ministry of Labour spends in the administrative program as well?

**Mr. Wolfson:** It takes into account our contributions towards that proportion of the Occupational Health and Safety Act that is addressed in that act. There is a provision in the Occupational Health and Safety Act which allows a certain proportion to be assigned to the Workers' Compensation Board, and each year we make a contribution. This year I think it is about \$6 million towards the administration of that act. That is included in that broad definition of administrative costs which I referred to.

**Mr. Gillies:** Would that include the other offices?

**Mr. Wolfson:** Yes, it would. It canvasses the broadest possible definition of administrative costs to include the accident prevention associations, our legislative obligations under the Occupational Health and Safety Act and those independent offices as well. As I indicated, when you add all that up, it would come to something like 16 or 17 per cent of the total cost area.

**Mr. Gillies:** With regard to your comments on the appeals tribunal, and I know that the four of you represent different organizations who must be approached by members on an ongoing basis about their dealings with the board and the appeals tribunal, would you ever recommend that one of your members go to that level of



appeal without legal representation? Would you look at the individual case and make your determination based on that, or for the most part do you think legal counsel is necessary?

**Mr. Liversidge:** I think perhaps what would be a more appropriate way to look at that question is what would the appeals tribunal itself recommend. I think you would find that the appeals tribunal itself would recommend that a worker or employer would be ill-advised to appear before it without representation.

**Mr. Gillies:** I should tell you that is not what they told us yesterday.

**Mr. Blogg:** I also work for an independent employer, so I have done appeals on my own at WCAT and I have had legal counsel do appeals for us at WCAT. It really does depend on the case, but as Mr. Liversidge said, in each of those cases, the information I received from the individual legal person doing the case description was that he advised that we have legal counsel at least look at the case description even if I was going to present it. That is the way the appeals tribunal goes at that.

**Mr. Gillies:** I did not mean to cut you off. I will check Hansard from yesterday, but my recollection is that the chairman of the appeals tribunal made it very clear he did not feel legal representation was necessary in many cases. He produced a list of the methods of representation and the persons representing various injured workers to point out that many of them did not involve lawyers.

Correct me if I am wrong, but I think you are operating under a different impression to that being put forward by the tribunal and I find that significant in and of itself.

1220

**Mr. Liversidge:** In fairness to Mr. Ellis, legal representation as such perhaps is not necessary, but expert representation is. We do know, particularly in the worker community, there are very many expert lay advocates out there. However, when you are in a situation where, because of the structure of the appeal in which you are appearing, there is a practical requirement and expectation placed on you to do exhaustive searches of jurisprudence to compile arguments, not only with respect to the factual issues before you, but to get into more substantive issues of interpretation of policy and law which, on occasion perhaps may be necessary to debate and get an understanding as to what the statute is saying, then as a matter of routine, for each and every single case going before the

tribunal, that clearly has to be considered to be wrong.

My company is in the business of providing representation to industry. We are doing a lot more appeal-type of advocacy and representation work than we ever have done before. This is the increasing need that is becoming apparent. It is our preference to assist our client group in assisting them in how to manage more effectively their workers' compensation cases in a proactive way, how to co-ordinate activity within the process to bring people back to work, etc. There is a demand being placed on them. I am sure the same is happening in the worker community with unions, that more and more time is spent in the appeals process.

Spending time in the appeals process is important to ensure that one gets a fair case and hearing. I think you can do that by arguing the facts of the case. For each and every single case where accident is an issue, I do not think you have to revisit the definition of accident. This is what we see as occurring more frequently. We see cases where people appear before the tribunal with 10, 15 or 21 tribunal precedents cited in support of argument. This may be a good argument and a good way. When placed that system, this is how people will respond. But the question that remains to be asked is should people be placed in that system?

I am sorry to give such a long answer to this because it brings in a rather complex area. We are not completely negative against everything the tribunal is doing. They are doing some good things in our submission. We tend to emphasize some of the bad things we see going on. Some of the good things we see are the way they are explaining themselves and publishing their decisions to a broad sector of the public who are interested in them. That positive point seems to give rise to the requirement to search jurisprudence, though, because a requirement is placed on this.

We see too much activity. A case does not simply go to a hearing. There is an extensive amount of preparatory work required. There is arguing back and forth between parties, which we seem to think is unproductive.

**Mr. Gillies:** We were given a breakdown by the appeals tribunal yesterday of the type of representation. In the instances of employer representation, I will give you the three biggest categories. There was no representation by the employer, 34.2 per cent and other representative, 32.6 per cent. Based on what you said, I think a lot of those representations would have been by



consultants such as your company. Lawyer representation was 10.8 per cent, which is lower than I would have expected.

Based on the complexity of these cases, when you have about a third of employers not offering representation at the appeals tribunal level, would I be correct in thinking they are just throwing the case; if they do not go in and offer an adequate representation, they are just writing it off?

**Mr. Liversidge:** You have to put those numbers in perspective. I do not know how they would compare, but if you place those numbers beside a similar analysis of appeal board representations prior to October 1985, probably there are some substantive differences between the two. First off, you are probably seeing more employer representation now than you were previously. You also have to look at what employers are not going represented; some employers are not going represented because they are no longer in existence. One cannot draw tremendous conclusions from those types of figures.

To answer your question, in an adversarial type of structure, which we see the model of the tribunal being in comparison to the hearing structure within the board—the tribunal structure is more adversarial in that it is depending more upon the advocacy skills of the various parties' representatives than does the inquiry process under the Workers' Compensation Board—absence can leave perhaps a different result. It is impossible to say in any absolute term. I think there is a greater risk in the tribunal process by not going.

**Mr. Gillies:** These figures also show that just over 16 per cent of employee representations are through the worker adviser's office but only about 1.5 per cent of the employer representations are through the office of the employer adviser. I guess that leaves me wondering how the employer adviser operation is viewed by the business community. Do they have confidence in it in terms of representation? Do you have any thoughts as to why that operation is not being used by a larger percentage of businesses?

**Mr. Liversidge:** I will pass that question on to somebody else, because personally I am not particularly distressed by those numbers.

**Mr. Blogg:** As somebody who does the work for his company and who has used the employer adviser, let us say that it has been the intent of the employer adviser to teach employers how to represent themselves; that may be why employer advisers are not often involved. I do not think that

has a direct correlation to the number of cases they are involved in. I know I have sought their legal counsel on a couple of issues and then represented myself. I used them on one occasion, but it was only the first time. Jason Mandlowitz made it clear that he would allow his people to assist me once in this rather legal case, but after I was taught how to go about it and how to prepare to submit an argument as a lawyer would, then he would leave it to me. That may be why those figures are low.

**Mr. Gillies:** That is very interesting. It would appear those two organizations are interpreting their mandates quite differently. The worker adviser operation is offering complete representation service to a large number of workers. They take the case and see it right through; they represent at the hearing and so on. What you are telling me is that the employer adviser operation sees its mandate quite differently; it is more of a consulting or advisory group, but it does not see its mandate as direct representation to a large extent.

**Mr. Blogg:** At least for an organization as large as ours.

**Ms. Andrew:** I would like to add that the employer adviser's office is considerably smaller than the worker adviser's office. It does not have multiple units around the province, and at last count, I believe it had 14 advisers or so as compared to I am not sure how many for the worker adviser's office. It does not have the capacity to represent as many people.

**Mr. Liversidge:** Perhaps there is another reason as well. It would be improper not to address this. When a worker is hurt and has a problem with the system, if he wishes to pursue his case through the system, he deals with the system once, hopefully, and does his hearing. The employer, on the other hand, deals with a number of cases. The employer probably has a greater interest in acquiring an internal expertise and in developing some self-sufficiency with respect to its ability to handle its own affairs within the system. So the office of the employer adviser—you are probably quite correct—has a different interpretation of its mandate, but probably, very rightfully so.

1230

**Mr. Gillies:** Good point. One final question: In the list of recommendations you make at the back of the brief, you want to see the workers' compensation system returned to the principles of income maintenance, medical assistance,

rehabilitation and retraining for employees injured on the job.

In 1985, 97 per cent of temporary total compensation claims were occupational injury and about three per cent were occupational disease, but there is an awful lot of literature and a number of projections around that suggest there is going to be a tremendous ballooning or increase in the whole area of occupational disease. There is also a strong feeling that those claims will account for a disproportionate amount of money as compared to injury claims because of the long-term effects of occupational disease; therefore, in fact, they could be much more expensive per claim.

My question to you is, if this system is returned to a scheme based on injuries on the job, how is this whole potentially enormous area of occupational disease to be dealt with?

**Mr. Liversidge:** Looking at the perspective in which that is put forward, I think it is dealing primarily with what constitutes a compensable accident—the event—while ignoring or attempting to ignore what is meant by industrial disease.

When we follow the recent developments at the Workers' Compensation Board, as I believe were outlined here by the chairman of the board two days ago with respect to the activities of the board, and we see the Industrial Disease Standards Panel, which will soon have some great influence in this, there are a number of questions that simply cannot be answered at this point in time. Your ability to look into this area is contingent strictly on scientific knowledge as it is at this particular point in time.

As scientific knowledge increases and our knowledge base increases, we become more aware of certain matters and there is a possibility that more things will be recognized as being compensable. I am not personally familiar with some studies that would assist in a more detailed

response and I do not know if other members of the council with me are.

**Mr. Gillies:** I do not want to belabour it. I guess my concern is that if the committee were to adopt your recommendations exactly as written, the way I read number two, industrial disease would be out of the system. You are calling for a system for employees injured on the job. Am I interpreting that correctly, or are you saying "injury" in a very broad sense?

**Ms. Andrew:** In the broadest sense. Where industrial disease is shown to be drawn from the work circumstances then, of course, that is included; it was not clear on that point.

**Mr. Gillies:** All right. Thank you very much.

**Mr. Chairman:** In conclusion, I have one question that has been searing my soul. Given your remarks on the WCAT, have you been surprised by the fact that the majority of decisions of WCAT have been unanimous decisions, which means the employer representative on WCAT is in agreement with those decisions?

**Mr. Frame:** We should consider that the term "employer representative" is used somewhat loosely. I recently sat down and talked with one of the employer representatives, who explained very carefully, and I understand his point, that he is appointed from the employer community to sit as an objective observer and to make decisions on that basis, not to represent the employer community. He was resisting a little bit of the pressure we were putting on him, but he made that very clear, and we appreciate his taking that position.

**Mr. Chairman:** Okay. Thank you very much for your appearance before the committee. We do appreciate it, and I am sure we will hear and see you again some day.

The committee recessed at 12:35 p.m.

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 McClellan, R. A. (Bellwoods NDP)  
 Pierce, F. J. (Rainy River PC)  
 Taylor, J. A. (Prince Edward-Lennox PC)

### Witnesses:

#### From the Workers' Compensation Board:

Elgie, Dr. R. G., Chairman  
 Wolfson, A. G., Vice-Chairman of Administration and President

#### From the Ontario Mining Association:

Reid, P., Executive Director  
 Watkinson, L. W., Vice-Chairman  
 Horncastle, R. G., Secretary-Treasurer

#### From the Employers' Council on Workers' Compensation:

Andrew, J. M., Director, Provincial Affairs, Ontario, Canadian Federation of Independent Business  
 Blogg, J. E., Director, Occupational Health, Extendicare Health Services Inc.  
 Liversidge, L., Management Consultant, L. A. Liversidge and Associates Ltd.  
 Frame, D., Executive Vice-President, Council of Ontario Construction Associations







# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

**Standing Committee on Resources Development**  
Annual Report, Workers' Compensation Board, 1985

**Second Session, 33rd Parliament**  
Thursday, March 12, 1987  
Afternoon Sitting

Speaker: Honourable H. A. Edighoffer  
Clerk of the House: C. L. DesRosiers



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### STANDING COMMITTEE ON RESOURCES DEVELOPMENT

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Hennessy, M. (Fort William PC) for Mr. Bernier

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# LEGISLATIVE ASSEMBLY OF ONTARIO

## STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Thursday, March 12, 1987

The committee resumed at 2:10 p.m. in room 151.

After other business:

1414

### ANNUAL REPORT, WORKERS' COMPENSATION BOARD, 1985 (continued)

**Mr. Chairman:** It is a very good feeling to have the room filled up with the people who care the most about what happens to our compensation system in Ontario, and I want you to know you are all more than welcome here. We will try very hard to squeeze everybody into a seat somewhere in the room. This is the first time we have had any number of injured workers in the room during this week at all, so we are very pleased you are here.

First on our list this afternoon we have the Ontario Federation of Labour. We also then must hear from the Toronto Case Workers Group and the Ontario Legal Clinics Workers' Compensation Networks, so we have a very busy afternoon. Mr. O'Flynn, who is secretary-treasurer of the Ontario Federation of Labour, is here. Welcome, and I hope you will introduce your colleagues to the committee.

#### ONTARIO FEDERATION OF LABOUR

**Mr. O'Flynn:** Thank you very much. I am Sean O'Flynn, the secretary-treasurer of the Ontario Federation of Labour. On my left are Linda Jolley, the director of health and safety and workers' compensation at the Ontario Federation of Labour, and Lorna Moses, the executive assistant at the Ontario Federation of Labour. On my right, we have Gary Cwitco, who is a member of the standing committee of the OFL on workers' compensation and a representative at the CWC.

I will begin the brief.

As a representative of the Ontario Federation of Labour, we wish to thank the standing committee on resources development for this opportunity to share with it some of organized labour's concerns about the workers' compensation system in Ontario.

Since we last appeared before the committee, we have had a year and five months of experience with the new system. We have participated in

three leading cases at the Workers' Compensation Appeals Tribunal, we have appeared before the Ontario Task Force on the Vocational Rehabilitation Services of the Workers' Compensation Board, and a number of our affiliates have been contacted by the separate inquiry into the Downsview rehabilitation centre.

Since we last appeared, the number of deaths in Ontario work places has increased 9.3 per cent, and the number of injuries is up almost four per cent over 1985, and yet we, as a labour movement, have been subjected to an attack in a report commissioned and supported by the Minister of Labour (Mr. Wrye) for advocating the simple enforcement of the Occupational Health and Safety Act across this province, an act established to prevent the devastation that this committee must deal with every year.

We in labour want to make it perfectly clear that our agenda is to stop the work place deaths that occur on a daily basis in this province and to reduce the more than 440,000 injuries that occurred last year, almost half of them serious enough to cause lost time from work.

We want to stop the estimated 6,000 deaths that occur annually in Ontario, according to a secret report that was commissioned by Paul Weiler—a report that three Ministers of Labour refused to release publicly until it was clear that a copy was made available to the Toronto Star.

We believe that the only real way to reduce the ever-increasing costs of workers' compensation is to reduce the increasing numbers of accidents and illnesses in our work places.

Let us talk about costs for a minute. We are constantly being bombarded by the employers', the minister's and the board's concerns about the escalating costs of our compensation system. More than a \$1 billion was paid out in benefits in 1985, but we never hear about the costs to society, or the costs borne by the families of the 211 workers who died on the job last year, or the families of the more than 1,250 workers who have died over the past five years. We do not hear about the costs and personal suffering connected with the disabling injuries that occur every 12.7 seconds in this country.

We never hear about the costs to our health care system, to our social service system or to our Canada pension plan for the victims and their

families of all the occupational diseases that our Workers' Compensation Board fails to recognize or compensate.

What about the costs to society for the 40.1 per cent of injured workers who are unemployed according to the board's own study? These are workers whose average disability pension was only 22.9 per cent, which meant that they were receiving only 17.2 per cent of their pre-accident earnings. We, as a society, pay for all these costs.

When we talk about the costs of workers' compensation, let us remember who really pays the assessments. As Paul Weiler stated in his first report:

"In the final analysis I believe that compensation benefits are paid for not by capital but primarily by labour: both as consumers of higher-priced goods and as wage earners in an industry faced with increasing labour costs in a competitive world. I emphasize this point in my report to temper the ideological tone in the debate about the level and structure of compensation benefits. Richer benefits should not be advocated as a device through which workers as a class extract a larger slice of the national income pie from capitalists as a class. Rather, workers' compensation is a vehicle through which able-bodied workers share their income with their disabled fellows."

That is from page 18 of *Reshaping Workers' Compensation in Ontario*. It is our costs we are talking about, and we take exception to the constant attention paid to employer's concerns about these costs. We in labour are not trying to redistribute wealth through the compensation system; we are merely trying to ensure the justice promised by this Legislature and the board itself. We in labour are willing to share a fair income with our disabled brothers and sisters.

#### 1420

It is time these concerns about costs be tempered with concerns about the victims and their families. Rather than reducing costs by the further denial of compensation to the most vulnerable in our society, let us truly work together to reduce all the costs, both financial and personal, by ensuring safe and healthy work places for all workers in Ontario.

Concerns about the compensation system: It was our original intention when we arranged to appear before this committee to outline a series of concerns about the system, but an event has occurred which we believe places the integrity of the entire working compensation system in question. So we are going to raise a few points

and then deal with this major challenge to the independence and the finality of the Workers' Compensation Appeals Tribunal.

1. What has happened to all the recommendations this very committee made in November 1985, many of which were welcomed by the Ontario Federation of Labour and other injured workers' groups? Is the compensation board not responsible to the Legislature and the requirement to implement the recommendations of this standing committee?

2. Why was it necessary for the Minister of Labour to establish yet another task force to investigate the Downsview rehabilitation centre, when the mandate of the Ontario Task Force on the Vocational Rehabilitation Services of the Workers' Compensation Board covered the entire area of rehabilitation? Why has this new task force engaged investigators from Price Waterhouse and a medical software company, Medicus, which have no expertise in this area? Why are there no public hearings where injured workers can air their grievances with the centre?

3. How does the system justify discriminating against survivors of workers who died before April 1985, by treating them differently from the newer survivors? How can they be expected to live on little more than \$700 per month? How can we justify a system that discriminates against workers who suffered an injury before 1985 and have a recurrence, when recent victims receive more? Such injured workers and their survivors deserve a system that provides equity.

4. How can we talk about effective rehabilitation programs when only two per cent of benefits paid to schedule I employees and one per cent of benefits paid to schedule II employees are earmarked for that purpose?

5. When is the compensation board going to take a realistic view of occupational hearing loss? The present adjudication guidelines require five years of exposure to 90 decibels, and yet the National Institute for Occupational Safety and Health in the United States has shown that 15 per cent of workers exposed to 85 decibels will suffer significant hearing loss, and even three per cent of workers will be affected by 80 decibels.

The Canadian Hearing Society has also pointed out that the adjudication guidelines do not even measure all the frequencies affected by noise-induced hearing loss. It is the higher frequencies—3,000 to 4,000 to 5,000 hertz—that are affected in occupational deafness, more than the lower frequencies—500 to 1,000 to 2,000 and 3,000 hertz—they measure in the guidelines.



How, may we ask, can you justify a pension of only 30 per cent, when a worker is totally deaf in both ears?

6. Why did the board refuse to go into de Havilland Aircraft to investigate the adverse health effects the compensation representative had identified among the workers exposed to isocyanates, exposures that were subject to six repeat orders by the ministry before a mass work refusal of some 500 workers finally forced compliance? When the compensation rep contacted the board, he was told they would do nothing unless he could prove the health problems were work-related. We now have proof that the company doctor at de Havilland had evidence of these adverse health effects resulting from isocyanate exposure, yet never told those workers or the board. That is clearly a violation of the act, yet we have not seen the compensation board move.

7. Why was the compensation's board much-praised outreach program for asbestos victims not in Windsor last week when more than 400 people gathered to express their concerns for the asbestos victims left behind when Bendix closed its brake-manufacturing plant? Why has the board not followed up with all the asbestos victims denied compensation by the rigid adjudication guidelines, which came under constant criticism by world asbestos experts during the hearings of the Royal Commission on Matters of Health and Safety Arising from the Use of Asbestos in Ontario in its hearings as long ago as the summer of 1981?

8. How can we have a board physician serving on the corporate board of Weston and see no conflict of interest? How can we have physicians consulting for the board who are prepared to come before the Workers' Compensation Appeals Tribunal and compare injured workers to welfare recipients who drive up in Cadillacs and collect their cheques in fur coats? Dr. Tyndel, a psychiatric consultant to the board, went on to describe what he calls "nomogenic disease," a form of dependence, he stated, that was engendered by the provision of benefits by law. Such attitudes among the doctors serving the board merely confirm our opposition to board doctors.

9. How can you have increasing numbers of deaths and injuries on the job and justify the discrepancy in funds provided for health and safety education? The employers' safety associations received \$35.8 million, despite intense criticism of some of their spending practices and their programs, and yet funds made available to workers, the actual victims of occupational

accidents and illnesses, total only \$2.7 million this year.

10. Of course, we once again raise our objections to the present rating schedule, the meat chart, in the granting of permanent partial pensions, and can only hope that the time and effort we took during the first leading case on pensions at the Workers' Compensation Appeals Tribunal will result in fairer and more just compensation for Mr. Villanucci and all the other injured workers awaiting that decision.

We also have some very substantial concerns about Paul Weiler's third report that we are prepared to share with this committee at another time, since we assumed the report was not before you during these hearings.

We certainly have other concerns such as the negative impact of experience or merit rating. We would have liked to expand on the points we have just raised, but as we stated earlier, there is an issue before us that we believe calls into question the integrity of the entire system and especially of the Workers' Compensation Appeals Tribunal.

Last Friday, March 6, 1987, despite labour's best efforts to persuade them otherwise, a majority on the corporate board of the Workers' Compensation Board voted to use its powers under section 86n of the Workers' Compensation Act to review decision 72 of the Workers' Compensation Appeals Tribunal. This precedent-setting move was clearly in response to an outcry from employers that was, in turn, a response to a totally distorted interpretation of the decision, suggesting it would open the floodgates for all injured workers to claim workers' compensation, whether suffering a work-related injury or disease or not.

Since 1915, when workers gave up their right to sue their employer in return for a no-fault compensation system, we have struggled to get a truly independent and final appeals system. We actually believed we had won when Paul Weiler recommended the present Workers' Compensation Appeals Tribunal and stated, "And this tribunal would display the other key attributes of natural justice: It would be independent of the Workers' Compensation Board, from which its appeal work comes, separate and distinct in membership, quarters, budget and organizational authority."

He went on to say, "On the other hand, judgements about the merits of a concrete appeal made by a high-profile appeals tribunal must be considered final to all intents and purposes,



whether in the eyes of the Workers' Compensation Board, the courts or the Ombudsman."

So we have the Workers' Compensation Appeals Tribunal in Ontario. While we have some concerns about the legalistic approach taken by the tribunal, the role of the tribunal counsel, the very rigid criteria used for leaves to appeal against the former compensation appeal boards' decisions, and the costs incurred by the leading-case strategy, especially in the Villanucci case on permanent partial pensions, we believed that, at last, injured workers were getting an independent and final review of the facts in their cases and consideration for the real merits and justice provided in the act.

#### 1430

Decision 72 provided just that for Mrs. Maria Pinaretta, a Portuguese sewing-machine operator who suffered a disabling back injury, a chance event occasioned by a physical or natural cause arising out of and in the course of her employment. On July 17, 1986, the Workers' Compensation Appeals Tribunal awarded Mrs. Pinaretta her claim and referred it back to the compensation board for a determination of benefits.

Within three weeks, the compensation board responded in a manner that crystallized and epitomized all of labour's and injured workers' claims about the anti-worker behaviour of the board. We have maintained that the Workers' Compensation Board of Ontario has acted against the interests of workers and that perception has been brought before this committee time and time again. Even in your last report, you expressed the hope that you would not "see a repeat of the usual grievances against the board, so that the committee can move on to new ways of improving the compensation system of the province."

Yet in the response to decision 72, which merely interpreted the language of subsections 3(1) and (3) of the act, in the definition of "accident," the board has symbolized every complaint expressed by injured workers. They have been high-handed, anti-worker, adversarial, inconsistent and have shown a total lack of respect for process and for the independence of the Workers' Compensation Appeals Tribunal.

Within three weeks of the decision, the chairman of the compensation board wrote to WCAT asking the tribunal to stay its decision pending the outcome of the WCB's appeal to the Court of Appeal. They were trying to apply other cases when we were promised that each case would be considered on its own merits. The request was appropriately rejected by the tribu-

nal. Less than a week after its first letter, the board wrote again and requested a reconsideration of the decision by WCAT. That was more than three weeks before the employer actually requested a reconsideration of this decision.

The board, which rejected the claim in the first place, considered itself a party to this case. Is this the natural justice we were assured of by Paul Weiler? All the legal forces of the Workers' Compensation Board were then brought to bear on a poor immigrant worker who could not even speak English. Again, the tribunal appropriately rejected the board's request for a reconsideration.

The employer's request for a hearing on an application for reconsideration of decision 72 was granted. The board applied for and was granted intervener status, along with other parties of interest, including the Ontario Federation of Labour. The board, the original judge or adjudicator, against whose decisions appeals have been launched, is increasingly applying to intervene in the appeals at WCAT. We cannot object too strongly to this assault on the independence of the appeals tribunal. It is like a judge intervening in an appeal hearing to defend his or her original decision.

Both the employer's representative and the board argued that the Court of Appeal decision in Kuntz and Dagenais, which had found not that the WCB was right in its policy interpretation of subsections 1(1), 3(1), and 3(3) but that it was "not patently unreasonable," was grounds for a reconsideration. The tribunal considered these arguments very carefully, especially given the importance placed on this case by the actions of the board, yet determined that its original decision was reasonable and that a reconsideration should not be given.

What was totally appalling in the compensation board's behaviour throughout all this was that it arbitrarily chose not to pay Mrs. Pinaretta. For four months following the July 17, 1986, decision, Mrs. Pinaretta received no money from the board. They had not used legislated power to stay the WCAT decision; they simply did not process her claim.

Now, having brought the full weight of what is one of Ontario's largest investment organizations against a single claimant, it has voted to review her decision once again under its extraordinary powers granted in section 86n of the act. No matter what the outcome of this review, we consider that the actions of the Workers' Compensation Board in this case were simply outrageous.

This decision to review, taken by a majority of the corporate board, calls into question the integrity of the entire system. We were assured of the independence and finality of the Workers' Compensation Appeals Tribunal, and even though the power for such a review was foreseen by Paul Weiler and contained in the legislation, we do not believe this decision justifies its use.

Despite the dire consequences forecast by the media and employers about the opening of the floodgates, decision 72 in fact applies only where the worker proves a sudden injury on the job itself. It does not apply to sudden injuries off the job, even if they are related to occupational factors, and therefore it does not extend to stress, repetitive motion or occupational disease claims. In most of the cases, the worker is claiming there was a specific cause or an accident, so decision 72 would apply only in rare situations. Decision 72 gives a procedural advantage to the worker in applying what the legislation actually states: Where an accident arose out of employment, unless the contrary is shown, it shall be presumed that it occurred in the course of employment. The board or the employer, therefore, can still prove that the injury was not work-related if that is so.

Decision 72 has not even set a precedent at WCAT. Since then, there have been decisions that do not extend this interpretation and the board has not even been consistent in its opposition to this interpretation. Although it applied for a reconsideration in decision 177, it chose not to review that decision under these extraordinary powers, even though the tribunal refused the reconsideration. Decision 177 deals with a similar interpretation of "accident."

Decision 72 is legally correct and supported by the Supreme Court of Canada in the Theed case. We have every reason to believe that, if decision 72 were appealed to the courts, the decision would be upheld because it too is "not patently unreasonable." While the board may consider that decision 72 challenges a present board policy, it does not pose a question of general law and, therefore, does not meet the requirements of section 86n.

We want to remind this committee that behind all this political manoeuvring by the board—and we consider it a purely political response to the employers' outrage over the alleged potential costs of this decision; costs, we remind you, Weiler considered to be ours—there is a real person, an injured worker, who once again must undergo yet another appeal and possible reconsideration concerning the meagre moneys provided to date. This is an injured worker who does

not understand English, let alone why her simple back pain could elicit the full fury of corporate and legal power from the board, an injured worker who could not even sit through the last hearing for reconsideration because of her pain.

The arrogance of the board's behaviour throughout this case once more confirms our opinion of its anti-worker bias. It proceeded with a vote to review when the member of the corporate board representing the injured workers themselves was unable to attend and has not been replaced, the representative of every injured worker who works in unorganized work places. The board proceeded, despite the fact that it had received telegrams from every major union in this province opposing such a review, and it proceeded even when all the labour members of the corporate board opposed this move. Surely such a stark division of interests over a case that was not even a leading case at the tribunal is not in anybody's interest.

We appeal to this committee to ensure the true independence and the finality of decision-making of the Workers' Compensation Appeals Tribunal. In doing this, we consider it is essential to remove the chairman of the Workers' Compensation Appeals Tribunal as an ex officio member of the corporate board. We ask that you investigate the board's participation as an intervener during tribunal appeals and its requests for reconsiderations, and that you review the extraordinary powers granted to the Workers' Compensation Board to review and stay appeals tribunal decisions.

The deliberate interfering and intervention by the Workers' Compensation Board in the independent appeals process against the interests of injured workers must stop or the entire new system, which finally promised justice to injured workers, will be destroyed.

**Mr. Chairman:** Thank you, Mr. O'Flynn. For the information of people who do not yet have chairs, we are having a TV monitor set up in a room just down the hall, committee room 1. As soon as that is ready we will let you know. It is being set up right now so that the overflow can go down there and watch the proceedings on the monitor rather than stand out in the hall where they really cannot see and hear. We will let you know when that is ready.

A number of people have indicated an interest in conversation with the OFL.

**1440**

**Mr. McClellan:** I would like to start by thanking the federation for a very moving and strong presentation and by welcoming the many



representatives of the injured-worker community who have come down here today to be with us.

I, of course, have no answers to the 10 questions you raised at the beginning of your report. It might be helpful if I submitted those questions to Orders and Notices of our Legislature as written questions, which I will do. I will put them in Orders and Notices and they will appear as questions to the Minister of Labour. He will be required to answer them within 14 days of the resumption of our session in April. I am forced to do this because, as you can see, the minister's chair is empty. Our Liberal Minister of Labour has such a low sense of courtesy that he did not even bother to attend for the afternoon of presentations of the representatives of working people in this province and of injured workers themselves.

**Mr. Haggerty:** You did not say that this morning, Mr. McClellan.

**Mr. McClellan:** He was not even prepared to attend for the remarks of the critics of the two opposition parties of this Legislature, so it is no surprise that his discourtesy and lack of commitment to the reform of workers' compensation extends to his absence again at these important hearings this afternoon.

In the conclusion of its report, the federation has made exactly the same point I tried to make to the chairman on Monday when we first learned that the decision had been, in effect, sent back by the corporate board in the beginnings of an attempt clearly to overturn that decision. My question is for Mr. O'Flynn. What is the composition of the Workers' Compensation Board with respect to employer representation, labour representation and injured-worker representation?

**Mr. O'Flynn:** It is three and three and one and one: three from labour, three from management, one from the injured workers and one from—

**Dr. Elgie:** Actually, there were three labour representatives, one injured workers' representative, one representing the public; three representatives of labour and a professional person who has yet to be replaced.

**Mr. McClellan:** Does labour have all three members on the corporate board?

**Dr. Elgie:** Yes.

**Mr. McClellan:** But the injured workers' representative was absent on the day when the decision to invoke section 86n was—

**Dr. Elgie:** Could I advise you that the injured workers' representative was in a motor vehicle accident and remains in a coma. It is only

recently, as a matter of fact this week, that I spoke to her husband who has written formally indicating that she will resign and that the government will be free to replace her. That was not possible before.

**Mr. McClellan:** I understand that the point the Ontario Federation of Labour is making is that this decision was made against the expressed wishes of the labour representatives on the corporate board, in the face of a strong appeal from the labour movement not to do this, not to jeopardize the integrity of the new appeals system, and at a time when for reasons of fate it was not possible to have all the workers' representatives on the board. Is that a correct understanding of what happened last Friday, Mr. O'Flynn?

**Ms. Jolley:** Yes, that was certainly our understanding.

**Mr. McClellan:** As far as you understand it?

**Mr. O'Flynn:** Our information is indirect, but that is our understanding.

**Mr. McClellan:** We have a number of deputations, and other people want to ask questions, but I repeat my warning to the chairman of the Workers' Compensation Board that I made on Monday. You had better draw back from the course on which you are headed, because that path leads to the destruction of the new, independent appeals system which this parliament established, whether you and your management representatives on the corporate board understand it or not.

I think we are hearing as loudly and clearly as possible from the representatives of working people in the province that what I said on Monday is valid. It has been said much more eloquently again this afternoon. You had better take this matter back to your board for reconsideration.

**Mr. Gillies:** I appreciate your brief. This is not a question, but I am actually wondering in my own mind about the propriety of the last point you made with regard to the Workers' Compensation Appeals Tribunal chairman being a member of the corporate board when we are talking about the supposed independence of the appeals tribunal. I wonder whether, as a committee, we might look at that when we come to our recommendations. Do you have any other thoughts on that, Mr. O'Flynn, or does the statement stand alone?

**Mr. O'Flynn:** I think it stands alone. We think it would do a lot for perception, as well as



reality, to do away with the system whereby the chairman of the appeals is on the board.

**Mr. Gillies:** I think there is some merit to your argument.

**Ms. Jolley:** In fact, there was a dissent from the initial recommendations about Bill 101 by the standing committee on resources development, which suggested that the chairman not sit on the corporate board.

**Mr. Chairman:** There certainly was.

**Mr. Gillies:** Very good. We can take another look at that.

**Mr. Chairman:** Maybe we do not have to.

**Mr. Gillies:** With regard to the point you make on decision 72, we have heard from some of the employers' groups that have been before us. Their belief, as you have noted, is that decision 72 is very far-reaching in terms of extending the scope of adjudication. Your brief maintains that there should not be a significant change and that decision 72 still applies only where a worker proves a sudden injury on the job itself. We have heard two opinions on that issue, and I would like to elicit an opinion from the board on its interpretation of what the effects of decision 72 are going to be.

**Dr. Elgie:** We can only comment that there has been speculation that a number of cases would be allowed that would not otherwise be allowed. Frankly, we have not reviewed it with any specific mandate in mind to try to elucidate it in any greater way, but we certainly will be doing so.

**Mr. Chairman:** Before we go on, the television monitor is now set up in the other room. Go down the hall and turn right. Anybody who does not have a seat can wend his way down there.

**Mr. McClellan:** There are four seats at the front, if somebody wants to shout at the people who are standing. You are welcome to come up here.

**Mr. Gillies:** There are a couple of seats over here too, if anyone would like them.

**Mr. McClellan:** In fact, there are some empty seats at the table. The minister's seat is empty.

**Mr. Gillies:** Somebody could take the minister's seat.

I do not feel the need to come up with a lot of original questions in response to your brief, because there are 10 very good ones here. As Mr. McClellan has pointed out, some of these have to be put to the minister, but by my count, there are five questions that could specifically be asked of

the board. Without wishing to take too much time, I will ask the chairman and the president about question 3.

We heard earlier in the week that the discrepancy with respect to survivors has been eliminated, yet twice this week we heard differing opinions on that. I wonder if I could ask you again whether the discrepancy between the old survivors, if you will, and the more recent survivors has been eliminated under the legislative changes.

**1450**

**Dr. Elgie:** May I ask Alan Wolfson to comment on that? As you know, he was intimately involved at the time Bill 101 was before the House.

**Mr. Wolfson:** This does arise from Bill 101. I think there is an explanation of the matter that may clarify it. Certainly, Bill 101 was not retroactive in its effect in so far as it applied the new system of establishing survivors' benefits to claimants prior to April 1, 1985, so there was a new system established for claimants of all kinds, including claimants of survivors' benefits. In the view of the government of the day, it would have been very difficult to make that system retroactive, in effect, throughout the history of the compensation system.

Nevertheless, there was an attempt by the government, both at that time and subsequently, to adjust survivors' benefits by more than the amount that other benefits were adjusted, in order to establish some level of parity on average between claimants of survivors' benefits under the old system and those who would emerge under the post-Bill 101 system.

There was a series of adjustments—the last one, I believe, in the fall of 1985—that raised survivors' benefits by, in one case, eight per cent, as opposed to a generalized increase of four per cent, so that for the average survivor the benefits pre-Bill 101 and post-Bill 101 would be the same. That does not mean that in every case they would be the same, nor that the post-Bill 101 system of adjudicating was applied to the pre-Bill 101 set of claimants, but there was equalization on average of the benefits structure.

**Mr. Gillies:** I would like to ask the federation representatives the extent to which the discrepancy continues and how serious a problem it is from where they sit.

**Mr. Cwito:** We cannot tell you the extent to which it exists because we do not have the statistics and do not know all the numbers, but from our perspective, we do not deal in averages;

we deal with the individuals who are affected, and averages, by definition, have people who are below. It is the people who are below who suffer.

The question we ask the committee is, how can the system justify that kind of discrepancy? It is a difficult kind of concept to get out, that if you were lucky enough to die after Bill 101 came in, your spouse would be taken care of in a different way from the way your spouse would be taken care of if you were unlucky enough to die before Bill 101 came out. Those survivors still deal with the economic reality of today, irrespective of when their spouses died in the work place.

**Mr. Gillies:** I appreciate your point on that, but without wanting to get into statistics and despite the adjustments that Dr. Elgie has alluded to, in fact you do have people come to you with complaints. They feel they are not being treated fairly in this regard.

**Mr. Cwitco:** That is correct.

**Mr. Taylor:** Can I have a supplementary on that? Maybe Dr. Elgie could assist us in the rationale for drawing that line where it was drawn. By "the line" I mean the line between survivors subsequent to a certain date being benefited in one way and those before that date being dealt with in another way, and the rationale for the ad hoc adjustments, if that is what they are.

**Dr. Elgie:** Those were matters that were before the Legislature of the day and the committee of the day. As chairman of the board, I was not privy to them nor should I have been. You will have to look to the records of those hearings to make those determinations. They were not board determinations; they were Legislature determinations.

**Mr. Gillies:** I think that question 5 about the occupational hearing loss can be asked of the board representatives. I would specifically like a response from the board on the research on the levels that has been done in the United States and the discrepancy between what they feel is a reasonable and safe level and that which we have in place in Ontario.

**Dr. Elgie:** I cannot comment on the specific remarks that are made in the brief. All I can tell you is that the whole issue of the schedule is under review at the present time, and that is one of the points that is being reviewed. When that review is complete, we will have some other answers for you, but at the moment, that is all I can say.

**Mr. Gillies:** So it is under review?

**Dr. Elgie:** Yes.

**Mr. Gillies:** Okay.

**Dr. Elgie:** I do not know whether these are accurate statements. I would have to go and ask people.

**Mr. Chairman:** Do you have a supplementary, Mr. McClellan?

**Mr. McClellan:** I am sorry. I would like to go back to your question about survivors' benefits, if I may. You may remember that the minister said in his opening statement:

"Statutory justice has also been done in respect of the dependent spouses of workers who have been killed on the job.... There was a 13 per cent difference in the summer of 1985 in the benefits treatment that one group of these spouses was getting compared to another. I told this committee that fairness required the gap to be eliminated as quickly as possible. The government and the Legislature were able to get that done by the turn of the year."

In fact, they did not.

**Dr. Elgie:** They did, on average. That is what Mr. Wolfson was saying. But the two systems were quite different, as you know.

**Mr. McClellan:** On average.

**Mr. Gillies:** On average, but some people are being treated differently. That is what I took from the earlier answer, anyway.

**Mr. Taylor:** Some people are being treated more equally.

**Mr. Gillies:** Question 6 is on de Havilland. The Minister of Labour has made a great deal of noise since he took office about the fact that orders are not reissued in the province any more. You and I know differently, but that is what the Minister of Labour says. Could I ask the board again whether the allegation put here is correct and, if it is, why, after a complaint from a compensation representative, did the board not go out and investigate the complaints about isocyanates at de Havilland?

**Dr. Elgie:** Again, I regret that the people directly involved are not here because we did not anticipate this type of question. It is my recollection that I spoke to Mr. Van Clieaf some months ago about this. He was in contact with the representatives at de Havilland and he made it very clear that there was no need to go through a process of building up a lot of information and background material, that all that had to happen was for a claim to be filed and he would immediately set out to investigate the claim.



From the information that is at my disposal at the moment, I have to say I find some of that to be inaccurate, but I will have to confirm that.

**Mr. Gillies:** Can a response be prepared that the committee could review?

**Dr. Elgie:** Sure.

**Ms. Jolley:** Excuse me, but it was our understanding from the compensation representative at de Havilland that he contacted the board and asked it to come in and look for cases and help with the cases there. It was suggested to him that he had to work up the work-relatedness of each case and submit each case. He was asking for the board to come in and deal with the cases as a group, but he was denied that.

**Dr. Elgie:** I will have a response prepared, Mr. Gillies, and send it to the committee.

**Mr. Gillies:** I will ask then about number 7, in regard to the prospective asbestos victims in Windsor after the Bendix closing. Could you respond to that query?

**Dr. Elgie:** I would have to check, but it is my understanding there was a member of staff from the board at the meeting. I will have to confirm that and get back to you. My understanding is that Henry McDonald was there, but I will have to doublecheck that.

**Ms. Jolley:** We would want to ask the board why it did not make its presence known to the people there so that the outreach program would be obvious to the community.

**Dr. Elgie:** I would have to speak to the individual who was there, Mr. Gillies.

**Mr. Gillies:** We will look to that response.

Finally, with regard to number 8, the apparent conflict of interest of Dr. Mitchell.

**Mr. McClellan:** Apparent?

**Mr. Gillies:** I try not to prejudge these things, Mr. McClellan, but I think you have a point.

**Mr. McClellan:** He is both on the board of Weston and the executive director of specialized medical services at the Workers' Compensation Board.

**Mr. Gillies:** Dr. Elgie, you did comment on this for the committee earlier in the week. For the benefit of the federation and the other people here, I wonder if you could repeat your comments with regard to that, please.

**Dr. Elgie:** I would be pleased to. Mr. McClellan actually raised the question. What I said was that Dr. Mitchell was a member of a number of boards: the Eye Research Institute of Ontario, because he has had a personal interest in

eye problems, the Wellesley Hospital and George Weston Ltd.

I think even the newspaper accounts would authenticate that Dr. Mitchell was acting in good faith. He went to his superior, Dr. Elizabeth Kaegi, and confirmed that he would be doing this in hours not related to his work at the board and would, if there were any issue that might have a relationship to board activities, absent himself.

## 1500

Even prior to that, I had instigated and asked the president to carry out a thorough review of our conflict-of-interest guidelines to be sure they were adequate. When I learned of Dr. Mitchell's appointment, it was my intention—and I spoke to the president about it—that we review his appointment in the light of the process under way with respect to our own conflict. Saying that does not mean I do not have some concerns about the perceptions of his appointment there, and we will be looking at that as soon as our guidelines have been reviewed and updated.

With respect to what Mr. McClellan said, we do have a legal opinion saying there is no legal conflict of interest, but I am as concerned as Mr. McClellan is that even if it is not a legal problem, there is certainly a perceptual problem there, and that is the issue we will be looking at as we review our own guidelines.

**Mr. Gillies:** Just by way of conclusion then, we have to prioritize the issues we want to address in our own report out of this committee. Would I be correct in taking from your brief that you think the most pressing immediate issue has got to be the resolution of this dispute over section 86n, in regard to who has the final say on policy decisions?

**Mr. O'Flynn:** The independence of the appeals tribunal.

**Ms. Jolley:** Even beyond section 86n, I think we are expressing our very real concerns about the continual interventions of the WCB at WCAT. We are very concerned about the independence of the appeals tribunal and about the fact that, in a number of cases, the WCB has asked for a reconsideration or else has actually applied to be an intervener in cases. We are concerned about the board's actual operation with WCAT. As well, we are very concerned about its extraordinary powers under section 86n.

**Mr. Cwitco:** If I might add just one other comment, one of the things we see as injured workers' representatives before the appeals tribunal is letters sent from the board to the



tribunal, not necessarily copied to the injured worker's representative, indicating that the issue in the particular case is under review at the board and suggesting that, because it is under review, the appeals tribunal might wish to delay deciding the issue.

Those kinds of letters go forward. They are not sent to us. We only get them because the appeals tribunal discloses them to us. Essentially, the board has already decided the case, based on its policy as it was at the time. Now it is saying to the appeals tribunal that maybe the tribunal should hold off deciding whether the interpretation of the policy is correct, based on the facts, or whether the policy is right, when it has absolutely no intention of ever reconsidering at the board level the case that is going before the tribunal. It is a kind of interference in the process which is totally unacceptable.

**Mr. Gillies:** Is that very common? Do you see a lot of those interventions? The reason I ask is that one of our other concerns, quite apart from the independence of the tribunal, which we all see as a concern, is the length of time it is taking the appeals tribunal to process an appeal. If one of the factors in delaying those decisions is interventions from the board, that becomes yet another concern.

**Mr. Cwitco:** Again, I cannot give you statistics. I know that in one case I took forward, this kind of letter came forward. I have talked to other representatives who have indicated to me that they have seen the same kind of letter, but as a percentage of the number of cases which are before the appeals tribunal, I just do not know how many there are. Those cases are appropriately confidential.

I know what happens in the cases I am handling for injured workers. When we talk to each other about the kinds of procedural problems we are having, this one has come up among a number of representatives. It is one that causes us a great deal of concern and is in line with the kind of procedure that just crystallized around decision 72. But this is not decision 72; this is another one, with the same attitude towards the process and the independence of the tribunal.

**Mr. Gillies:** Could I ask the board to give us an idea of the frequency with which the board wishes to make points or express opinions when a case is before the appeals tribunal? Is that very common?

**Dr. Elgie:** I think we should step back a bit and look at the overall issue. First, the corporate board does not have any desire to have issues with respect to section 86n put before it very

often. None of us does. They are not occasions to which we look forward. Therefore, I, as chairman, and the board in general have indicated that if there is some way of avoiding that at an earlier stage, we should do it. I think you will find that the chairman of the appeals tribunal would agree with that.

That has involved a variety of things happening. First, in some situations, for example in the leading case, the Villanucci case, we were invited at the request of the tribunal to go as an invited participant. We attended on that occasion at the invitation of the tribunal because it felt, as I understand it, that there are occasions when it should hear the board's position on certain things.

In decision 72—of course, it is all brand-new to all of us—but again, in an effort to avoid having even to consider the issue of whether section 86n should be used, the board made a determination to ask the tribunal to reconsider its decision under section 86m, I think it is, to vary it pending the outcome of cases that were before the Supreme Court of Ontario and then to make its decision as it saw fit.

The tribunal felt we were not an appropriate intervener to make that sort of request—and that is fair ball—but the employer made a similar request so the hearing proceeded.

There have been other occasions when it has been made very clear to us that the tribunal thinks we should be there to make presentations on our views. Certainly, if we have an unclear policy or if we do not have a policy, I think the tribunal would be wise to say to us, or it would be wise for us to say to it, "Before you decide this case, hear what our policy is so we do not get into the issue of whether we will have to look at it under section 86n, without any credit. At least, let's all be playing from the same text." If it thinks we are wrong, so be it.

I think those are all things that are good for the system. I think you would find that the chairman of the appeals tribunal would agree with that too. It in no way compromises the independence or integrity of anybody. If it does, then all anyone has to say is, "Stop it," and it will stop because I cherish the independence of that tribunal.

Do not forget that I had a role in starting this whole concept coming along.

**Mr. Chairman:** Are there any other questions or comments from members? If not, Mr. O'Flynn, thank you very much for appearing before the committee. It is obvious, not just from your presentation but also from your reinforcement of others, that the whole question of the

independence of the tribunal and the finality of its decisions is going to be something the committee has to wrestle with before we make our report to the Legislature within a month.

**Mr. O'Flynn:** Thank you very much, Mr. Chairman. We would draw our distinctions between those situations in which the appeals tribunal asked for input and the situation where it gets it, whether it asked for it or not.

**1510**

**Mr. Chairman:** Okay, thank you. The Ontario Federation of Labour has completed its report but I certainly encourage people to stay for the next couple of presentations this afternoon.

The next representation is from the Toronto Case Workers Group, which I believe is the umbrella group for a number of other groups, but I will let the delegation explain that to you. Perhaps you would introduce yourselves and explain that, so we will know who is making the presentation to us. Thank you.

#### TORONTO CASE WORKERS GROUP

**Ms. L. Smith:** Thank you. My name is Lorraine Smith. I am a community legal worker, and I work at the Industrial Accident Victims Group of Ontario, the community legal clinic that deals solely with workers' compensation.

There are actually two groups inside the Toronto Case Workers Group. We are composed of Toronto legal clinics that do workers' compensation and the Union of Injured Workers. We often work together, and we are making this presentation together.

On my far left we have John McKinnon, who is a lawyer with the Central Toronto Community Legal Clinic. We also have with us Orlando Buonastella, who is a community legal worker with Injured Workers' Consultants, a legal clinic that does solely workers' compensation work. We have Eddy Cauchi, who is here in a dual role. He is a member of the Union of Injured Workers, and he is also the president of the Asbestos Victims of Ontario.

As I said before, I am Lorraine Smith, community legal worker with IAVGO. On my right we have Joe Quatrole, who is the president of the Union of Injured Workers.

We have prepared a brief for you entitled Compensation Reform Has Yet to Come. It has been prepared by the Union of Injured Workers with the following Metro legal clinics: Central Toronto Community Legal Clinic, Injured Workers' Consultants, Industrial Accident Victims Group of Ontario and Parkdale Community Legal Services.

We have divided our verbal presentation into five parts. Each one of us will be speaking with respect to certain parts of the brief. We would ask that you reserve any questions you might have until all of us have finished speaking, if that is all right with you.

**Mr. Chairman:** That is preferable.

**Ms. L. Smith:** I would like Mr. Quatrole to address the issue of the first two parts of our presentation, the cost of justice and the implementation of previous standing committee recommendations.

**Mr. Quatrole:** First, I want to apologize for my English, but I will do my best to make everybody understand.

Thousands of injured workers across Ontario were waiting with good hope for the year 1987 to get something better from the Workers' Compensation Board, but their hope is gone. The hope is lost in the air, and they do not see anything better in 1987, except a small raise in pension on January 1. They see the injustice every day.

From the southeast to the far northwest of Ontario, thousands of injured workers are looking for help anywhere and everywhere. At the company unions, at the office of the worker adviser, at the member of parliament's riding office, at the Union of Injured Workers and at the legal clinics, people are crying for help, but only a small number of injured workers receive some help, because the waiting list of cases is bigger. In the system the Workers' Compensation Board uses against the injured workers, a large percentage receive injustice. Nobody does anything, because the people at the Workers' Compensation Board are not suffering. Only the injured workers are suffering the pain, humiliation, penalty, etc.

Since 1974, when the Union of Injured Workers was formed, it and the Ontario Association of Legal Clinics have been fighting with the Workers' Compensation Board for justice for injured workers, but justice never came. All we see is injustice.

At election time, politicians from all parties at Queen's Park make too many promises to injured workers before the election, but after the election all the promises go up in the air. Before the 1985 election, the Liberal Party was an opposition party. All the members of that party made big promises saying that if they got into power, the first thing they would change was the Workers' Compensation Act. They all made big promises to the injured worker, but after the election when the Liberal Party got into power, we did not see any changes in the Workers' Compensation Act.



The only change we see is the injured worker going from bad to worse. The Workers' Compensation Board wants the injured worker walking or in reverse gear.

Many workers have related to us that they recently heard the Minister of Labour and his assistant, Mr. Polsinelli, on a radio program, worrying about the cost of the Workers' Compensation Board. Mr. Wrye is concerned with just the cost of the Workers' Compensation Board. He does not look at how much the injured worker is suffering these days, especially when the supplements from the Workers' Compensation Board have been cut off.

Workers have to live on small, miserable pensions. Nobody has a good pension when the cost of living gets higher and higher every day. Workers suffer from a drastic reduction in the quality of their lifestyle. Mr. Wrye does not realize what the injured worker is going through. Many of them have lost their family and their dignity. They do not know what to do any more. The workers are going crazy because they cannot support their families. Many of them try to commit suicide. The people at the Workers' Compensation Board are laughing in the faces of the workers, and the claims adjudicators almost tell the injured workers to their face: "You are crazy. You go and see a psychiatrist. We can do nothing for you."

Mr. Wrye has no concern about this humiliation and injustice. If the Minister of Labour wants to reduce the cost of the Workers' Compensation Board he should go after the companies.

**1520**

In February 1985, the Association of Injured Workers' Groups addressed to the standing committee a brief entitled *Time to Clean House* at the Compensation Board. We invite you to refer to it again. I have some recommendations on implementation to read:

1. That compensation for injured workers be adjudicated according to justice and not with an eye to reducing costs;
2. That any new legislation enacted regarding the injured workers have justice as its primary and principal concern;
3. That mounting costs be addressed by finding solutions to the unfunded liability, instead of penalizing workers;
4. That mounting costs be addressed by increased penalties to unsafe employers; and
5. That employers be legislated to rehire injured workers.

I refer to recommendation 59 on page 48: That it be mandatory that all possible areas of WCB support, financial or otherwise, be communicated to the injured worker at the appropriate time by the relevant adjudicator.

I believe that the adjudicators now do not say a word to the injured workers about what they are entitled to. They do not say they are entitled to the old age supplement. They do not say what they are entitled to. It is up to the people to find out from somebody else such as the Union of Injured Workers, the clinics, other friends and so on.

I refer to our recommendations on page 3.

6. That each year the standing committee formally review with the WCB its previous year's recommendations;

7. That the committee demand implementation of its recommendations by the Workers' Compensation Board and that, where the committee finds that there needs to be a legislative amendment, such a recommendation be made to the House.

I ask all members of parliament, who makes the legislation? Is it Queen's Park or the Workers' Compensation Board? At election time, we believe that all members of the Legislature go to the public knocking door to door, asking for votes to be elected to Queen's Park. The public gives the vote to the people at Queen's Park, not to the people at the Workers' Compensation Board. It is time for the people at Queen's Park to do something about it, make the law and tell the Workers' Compensation Board what to do. It is not the Workers' Compensation Board telling Queen's Park what to do. If the public gives its vote to the people at Queen's Park, they are not supposed to compensate the public with injustice. Thank you, gentlemen.

**Ms. L. Smith:** I would like to refer you to page 4. The first issue I would like to address is supplements to the pension award and a recommendation that we are going to make.

Before I go on to that, I would like to state that for the Union of Injured Workers and the Toronto Case Workers Group, our main demand is still pension reform with respect to workers' compensation. The present awards often bear no relationship to the real impact of the disability on the earning capacity of the workers.

Now we did not expand on the issue of pension reform here today. It is a special issue that we have addressed on several other occasions. You are aware of our position. We have many concerns about Mr. Weiler's recent report and



we will be happy to address that on another occasion, should you so wish.

Unfortunately, I have to report that this particular group has some cynicism with respect to pension reform. I understand that is in the accord between the New Democratic Party and the Liberals. However, we have not seen any hope or possibility of this reform and the accord expires at the end of June.

It seems to me this is the era of sequels. We have Rambo I, II and III. We have Star Wars I, II and III. Tomorrow is Friday the 13th. I think there has been Friday the 13th parts I, II, III, IV, V and VI. Now we have Weiler I, II and III. I think our fear is that, knowing how the process of legislation works and how the process of law reform works, our fear is that before we get any kind of approximation of pension reform, we may very well have Weiler IV, V, VI and VII before we see what injured workers so desperately need.

**Mr. Gillies:** You might get accord II, III and IV.

**Ms. L. Smith:** We may very well get that too. Please excuse us if we inject a healthy dose of cynicism here.

**Interjection:** Once is enough.

**Mr. Mackenzie:** It might be Liberal and Tory this time.

**Mr. Gillies:** Tory and NDP; there is a meeting of the minds here.

**Ms. L. Smith:** All those speculations aside, the problem is that injured workers are well aware they are suffering and we in the legal clinics see the suffering every day. We see people who have these pensions that are not adequately compensating them for their loss of earnings. They sit there at home. You do not see them out in the streets. First, they are not very well and, second, they are not able to go anywhere because they are subsisting. They have 15 per cent or 20 per cent pensions and most of their trips are spent scrambling around for whatever income maintenance they can get from whatever social assistance programs to augment their meagre pensions.

We sat around and talked about some of the possible solutions to some of the gaping holes in the system that might be a little simpler for this committee to address while we are waiting for Weiler IV, V, VI and VII and accord II, III, IV and V. Before I go on to the amendment we are going to propose, I would like to point out some of the gaping holes we see every day in the

compensation system that are a result of the inadequacies of the pension system.

First, we have the injured worker who comes in with a small pension. He cannot get a supplement. Why can he not get a supplement? Because "the impairment of the earning capacity of the worker is" not "significantly greater than is usual for the nature and degree of the injury." You explain that to him and meanwhile he is just completely flustered and floundered.

Why can he not get a supplement because his impairment is not greater? Usually it is because there has been some error made along the way. I will not go into that, but quite often I find he or she should have had a supplement but the impairment was not greater. That is a problem, the impairment of earning capacity.

The second gaping hole that injured workers quite often fall into is the temporary supplement and the wage loss supplement as given in subsection 45(5). It is fine while they get it, but they do not get it permanently. They get it for two or three years, if they are lucky. Quite often many of them get it for only about one year and then that is taken away from them because they are supposed to have adjusted to the new poverty level they are now at.

The third gaping hole is a really serious one that needs to be addressed very quickly, and that is those workers who cannot work because their disability is too severe for any job, not just a regular job but also a light-work job. They have only their pension because they are under 50. They cannot get a looking-for-work supplement because they are not looking for work. They cannot work. They cannot get an older worker's supplement because they are not over 50 yet. This is a very large hole that desperately needs to be addressed as well. Then the older worker's supplement is only approximately \$300 a month and does not necessarily compensate for a loss of earning as well.

Those are some of the gaping holes, as I call them, that the present pension system does not address. Today we are going to address just the second one I mentioned, the temporary supplement, the looking-for-work supplement and the wage-loss supplement covered under subsection 45(5) of the act.

Subsection 45(5) states, "Notwithstanding subsection (1), where the impairment of the earning capacity of the worker is significantly greater than is usual for the nature and degree of the injury, the board may supplement the amount awarded for permanent partial disability for such a period as the board may fix unless the worker,

"(a) fails to co-operate...; or

"(b) fails to accept or is not available for employment."

This section recognizes that the present pension system and the award it gives to the injured worker may bear no relationship to the real impact of a disability upon the earning capacity of the workers. It provides for supplementary benefits to remedy the inadequacy of the pension award. However, the board interprets this provision as a temporary remedy only and this is the big problem. As a general rule, it limits the supplementary award to a period of one year and may renew it for up to 36 months where there is the indication it will assist the worker in successful rehabilitation. I refer you to the claims services division manual, board policies and divisional administration branch procedures manual.

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More often than not, however, no meaningful rehabilitation is achieved during this period, nor will it likely ever be fully achieved, through no fault of the worker.

During the short period for which the board may grant a supplement, workers are expected to adjust to the new employment requirements attributed to the disability. What this really means is that many of the injured workers are expected to adjust to the idea of a life of poverty. This is not an exaggeration. We see this every day in the clinics.

I can specifically think of two examples. One is a client at our clinic who had a couple of accidents that left him with a permanently bad back. He was a bricklayer for many years. He earned about \$18 per hour and his disability has prevented him from returning to work in this trade or to any other kind of heavy work. Today he is employed as a cleaner and he makes \$6 per hour, about a third of what he was making as a bricklayer. The gap between his 15 per cent pension and his actual income is enormous.

He is lucky. He has a wage-loss supplement, but he is only lucky for about two or three years. After the two or three years, my poor client is going to lose this wage-loss supplement because it is not permanent. What this supplement is doing is prolonging his agony. It is like saying, "We are going to help you out for three years and we are going to try to bring you back up to what you were earning when you were a bricklayer, but then you are going to fall off the cliff into the abyss three years later." It does not make sense.

I can also think in terms of a temporary supplement. A good example is someone who

came to see me last week. She has a 15 per cent pension for her low-back disability. The board has said she cannot return to her old job. She has had a temporary supplement for three years. In those three years, she has never been offered retraining by the Workers' Compensation Board. No mention has ever been made of it to her. She has been out looking for a job and she comes in with a bag full of these endless lists from the three years, which she pulls out to show she has been looking for work. She has just been cut off the supplement.

Why has she been cut off? She is not told that the supplements are not permanent. That is not the reason given in the letter she has for why she has been cut off. She has been cut off because her impairment of earning capacity is no longer significantly greater. She said, "What does this mean?" I said, "What it means is that the supplements are not permanent and this is the end of your temporary supplement." She said, "But I am still looking and I still have not found anything."

What we are proposing is that by amending subsection 45(5) the Legislature remove the board's discretion in the matter of the length of time for which supplementary awards are granted to injured workers who qualify for their receipt.

I read you the section before. While the analysis debate about pension reform is going on, it is so complex that we are suggesting you can remedy one of the problems the present pension system renders inadequate for the injured worker. The second part of the opening of subsection 45(5) says "the board may supplement the amount awarded for permanent partial disability." We are suggesting you take out the word "may" and put in "shall" and delete the clause "for such period as the board may fix." Everything else would remain the same.

I would also like to request at this time that we not have a Weiler I, II and III on this. It is something that can be done simply. The injustice is quite clear. I would like to read to you how this section would read if you take our suggestion for the amendment we are proposing.

Subsection 45(5) would read, "Notwithstanding subsection 1, where the impairment of the earning capacity of the worker is significantly greater than is usual for the nature and degree of the injury, the board shall supplement the amount awarded for permanent partial disability unless the worker," and then (a) and (b) remain the same.

I do not think I have anything more to say on that. As you can see, we feel quite strongly about



this and it is really a stopgap recommendation while we wait for the promised pension reform.

The next issue I would like to address is one that has been dealt with many times. It is one the standing committee has addressed already with three recommendations we state here on page 7. I will not read them because I assume you are fully aware of your own recommendations.

I would like to refer to the criticisms we compiled as a result of a conference that was held in October 1986 on the topic of board doctors. It was attended by injured workers, doctors, trade unionists, community legal workers and various representatives of injured workers. The criticisms that came out of that conference and that we have compiled here are in fact a broken record. You have heard them over and over again.

1. The board doctors are not specialists. For instance, they are often making determination of a worker's ability to work, and they are unqualified to do this.

2. They most often render their opinion without the benefit of seeing the injured worker.

3. They have too great a work load to do an adequate assessment of the worker and/or the file.

4. A single examination cannot provide the basis for an adequate assessment.

5. They often do not speak the language of the worker.

6. They very often provide adjudicative opinions rather than medical ones.

7. They frequently fail to present any explanation of their opinion.

8. They lack the independence from the Workers' Compensation Board to provide an objective assessment.

9. They do not have an attitude of "medical advocacy."

Our main recommendation is that the only adequate resolution to the problem is actually to eliminate the positions of Workers' Compensation Board medical staff. However, if the Workers' Compensation Board is to maintain a function for medical staff, the following changes are recommended, starting with recommendation 10:

10. The role of board doctors must be clearly limited to providing medical opinion. Policy and practice needs to be developed which will clearly exclude any references to adjudication by the WCB doctors.

11. The board doctors must provide full medical reasoning in their memos. If, for instance, they feel a condition is not related to

occupation or an incident at work, their reasons should be provided in full, including their views as to how the disability has arisen. In keeping with the Wallbridge judicial review decision, the doctor should cite the authorities he/she relies on.

12. The opinion of the board doctor must be seen for what it is: just one more medical opinion. It should never be used to overrule the decision of any outside practitioner.

13. If the board is of the opinion that it requires further medical opinion on a claim, this should always be sought from an outside source once any WCB doctor has already expressed an opinion. In other words, a claim should never be returned to board doctors for a further opinion.

14. When the opinion of any independent medical practitioner is sought, the board should provide a clear list of questions to be answered and access to all relevant materials used by the WCB, including how an estimation of earning capacity is determined—I would love to hear that—or any other relevant policy. A copy should be provided to the injured workers.

15. In occupational-disease claims, when there is no immediate evidence or there is any favourable evidence, the WCB must, in co-operation with the injured worker and the representative, provide a full investigation with the view to establishing the claim. This would involve the board in using powers it already has to investigate the work place, examine company records and review medical literature.

16. As with WCB doctors, the advisory committee on chest disease should be limited to a one-time advisory role. The injured worker must be provided with full access to its opinion.

17. The credentials of the WCB doctors should be made public.

18. Treating doctors should be automatically provided with a full report of any examination conducted or on behalf of the WCB.

19. Injured workers should have the right to witness during a WCB examination since it is for the purpose of assessment rather than treatment.

20. There should be a decentralization of examination facilities to reduce the necessity of injured workers to take trips that are often very painful for them.

21. Improvement of forms requesting outside medical information is necessary.

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22. Adequate time must be provided to the WCB doctor to do an adequate assessment of the injured worker and the file and to conduct any research or consultation which would be helpful.



23. To aid in the full understanding of the dimensions and particulars of the problem and to aid in the implementation of effective change the following recommendations are made:

24. An immediate screening of WCB medical staff standards and practices by a serious organization. Perhaps a task force in this area is necessary.

25. The recommendations by the royal commission on asbestos should be implemented without delay.

As an addendum to the board doctor issue, I would like to speak just a bit on psychological entitlement. I note that the OFL already addressed this issue. Referring to the bottom of page 13, when Dr. Tyndel was elaborating on his position, he offered the following explanation regarding the assessment of psychological disability, saying that "compensation of any kind is an obstacle, is a hindrance to the development of motivation for recovery and for rehabilitation."

It would appear that Dr. Tyndel's concern is primarily with medical rehabilitation and that he sees this as a higher good than compliance with the law as it is interpreted through board policy. To us, this seems to be circular reasoning, a catch 22 by doctors who are the powers behind the scenes at the WCB. Injured workers, and indeed the Legislature of this province, cannot extricate themselves from this dilemma except by removing the power to diagnose psychological disability from the hands of WCB psychiatrists.

Our recommendation there is that the WCB have all suspected compensable psychological disabilities assessed by professionals—psychiatrists, psychologists, etc.—totally independent of the WCB.

There is one more small area that I would like to address and it is on page 22 with respect to section 21. Section 21 of the act allows an employer to send an injured worker to a physician selected and paid for by the employer. In our view, it makes the erroneous assumption that since the province's specialists and board doctors are so biased in favour of injured workers, companies should have recourse to their own doctors to balance things out.

I think it is usual that he who pays the piper calls the tune and since section 21 is alien to the philosophy of a no-fault, nonadversarial compensation system, we strongly recommend that it be repealed. Not only should the injured worker not be compensated according to the opinion of board doctors, but also he should not be compensated according to the opinion of company doctors. It should be his own doctors, his own

specialist and family doctor, whose opinions are respected and used. For this reason, we are requesting that section 21 be repealed.

I respectfully request that you very seriously consider the amendment that I have proposed to subsection 45(5).

I would like to turn now to Eddy Cauchi who is going to speak on several different issues.

**Mr. Cauchi:** I would like to thank the committee for giving us a chance again this year to come back to the same old frustrations. As you can see by the brief I put in, it is very brief, as brief as can be. You can see it on page 26. I speak to you today not only as an injured worker but also as a well-informed injured worker. I have the Hansard of every proceeding and every word you say in the Legislature. I would like to remind you that now that the legislative proceedings are being televised, many people, especially injured workers, are watching what you say and how you act in the Legislature.

Do not ask me which of these items I raised is the most important. My answer to you is that all these items are very important. My concerns are the same concerns as those of the past members of this committee. It seems to me that when in opposition, the Liberals demanded changes; now that they have the power to change, they do boo-all for the system. What we have today is the same group of people here as we had four years ago. They have been struggling and coming here to get a half-decent pension. As my partner said, with words you do not go to the grocery store.

You have heard from the Ontario Federation of Labour and the Minister of Labour during his hearings about the survivors' benefits. If a woman is lucky enough to have her husband die today on the job, she is going to be looked after. If a woman was unlucky, before Bill 101 came into being, she was on welfare and she lost her house. You are going to hear about them what you already heard about from the gold miners up north.

I speak not only for the asbestos workers but also for all injured workers today. What I would like to know from the WCB today is, since there is a discrepancy between pre-Bill 101 and post-Bill 101, and some of the gold miners' widows are going to be compensated, are they to be compensated on the previous adjudication? If they are, it is going to be injustice for some of these widows who waited 20 years. It is going to be the same thing that happened to our asbestos workers' widows. I have two widows coming to me and asking: "How come Mrs. So-and-so is getting \$100 or \$200 a week more than I am? My

husband died doing the same job as her husband."

What am I going to say to these people? I do not have an answer. You give me an answer. The Legislature should answer this. Mr. Wrye proposed to give us an answer. On October 8, 1985, in the morning sitting, pages R-7 and R-9 of Hansard, he sat up there and made a big deal that these people were going to be looked after from now on. We were not going to have a two-class system of injured workers or a two-class system of widows. This was October 1985. I think today is 1987. Am I correct on that? It is two years later.

Mr. Wrye's statement suggested that the industrial disease standards panel is going to take effect from October 1. We have correspondence every day with the industrial disease standards panel. It refuses to deal with the asbestos problem; it refuses to do that. If it were not for the hearings of the Royal Commission on Matters of Health and Safety Arising from the Use of Asbestos in Ontario, there would be no industrial disease standards panel. The purpose of the industrial disease standards panel was to check and to recheck, as Ms. Smith said, and to recheck again. We know all the details.

Since 1930, even though Dr. McCracken says these things came into the fold in the 1980s, I find it very incredible to believe that a guy like me who went only to grade 6 knows about the health of asbestos workers 20 years ago, and the chairman of the compensation board's medical division in the 1980s says, "We did not know anything about it in 1981."

I would like to say another word about the corporate worker, for those members who are new on this committee. I brought up the subject last year. Now they will start to find out what I was talking about. Why is the injured worker not represented on the board as he should be?

We talk about the board doctors. I can start there, because if I stopped I would be missing something. Last year, I remember the Liberal member for Humber (Mr. Henderson) criticizing the way the WCB doctors deal with injured workers. I would like to suggest to Dr. Henderson: "Go to your partner in the Legislature and tell him all about it. Do not come here and waste your time and the committee's time. You have something in power today that you never did for 42 years. Now you have finally got in power, tell Mr. Wrye your objections to board doctors."

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Speaking of board doctors, I have no quarrel, and this is documented, with political ap-

pointees, or appointments of friends to boards, such as the police commission, the school commission or the transit commission. I have no quarrel with that, because they are not endangering people's lives, but when the health and welfare of human beings are at stake, I would like to urge all of you today in the Legislature to oppose very strongly such appointments.

Because of one of those appointments made a few years ago, you are having those troubles today. The troubles today did not come today. The troubles we have today have been creeping up for the past 30 or 40 years, from the gold miners, the Inco mines at Copper Cliff, Johns-Manville, you name it. Yet we have the same industrial chest disease specialist at the board today about whom a question was asked in committee in June 1980. For the benefit of the new members of the Legislature on the committee, in a statement to the standing committee on resources development, Dr. McCracken said: "My response to that is, if you look at the degrees that Dr. Stewart has...he does not hold a fellowship from the Royal College of Physicians and Surgeons."

Even a plumber cannot operate in Ontario if he does not have a licence, but this doctor is operating in Ontario. Not only is he operating, but also he is the chest disease consultant, the top man. If he says, "No, you do not get any money," you do not get any money. This is documented in Hansard of June 11, 1980, and I have more proof of that.

I listened to a little bit yesterday on television and I listened the day before about the legal aid adviser at WCAT. Let me tell you, Mr. Haggerty, I am a little old now. I remember the Nuremberg trials, and I guarantee you there were more lawyers for the Villanucci case than there were at Nuremberg. There was a man who could not even sit on his chair because he was so sore, and he could not speak English. Yet there were these books and lawyers, lawyers and lawyers in there to hear a case about a guy looking for another \$20 or \$50 a week. It is unbelievable. Mr. Haggerty has been around here and listened to my problems for years. Unfortunately, he could never do anything about it until now.

Mr. Pierce brought up a big problem the other day about the funding rates. I could see your problems with the injured workers up north working for a small operator, if that operator had an accident. Right away, his rate increases 150 per cent. The poor guy tries to make a dollar to raise a family in a depressed area and he is assessed 150 per cent. I would like you, Mr.



Pierce, to ask the WCB how much Manville is assessed every year, after killing thousands of people. They will tell you they are not assessed a penny, and neither is Bendix in Windsor.

As far as survivors' benefits are concerned, Mr. Gillies, you have workers such as these people, some of them in their 50s and 60s, walking with canes or sitting in wheelchairs, some of them with one hand. They were assessed on \$15,000, so they get 10 per cent compensation for life, which comes to maybe \$50 a week or \$50 a month. Then you have the same guy get assessed at 10 per cent for hitting his toe, and he is getting \$200 a week more.

Please, look at Bill 101 and where the increase came in and make everybody the same in this province of ours. We worry about South Africa because there is apartheid there—the blacks there, the whites here. We are here. We have injured workers there on one side and injured workers on this side. These are starving and these are little looked after. Ontario has a problem right here with injured workers. Never mind South Africa.

I speak to you today as an injured worker, but as an informed injured worker. I have been in this business for the past 25 years, first as a union representative on health and safety, then 11 years ago I had to leave work because of my problems with asbestos. I would like to warn every one of you here not to let this minister off the hook. I have had meetings with every Minister of Labour for the past 25 years, and I want to make that point very clearly today. The late Mr. Rowntree called me into his office in 1965, and I have met every Minister of Labour since then except this present minister. I think that is dishonest.

As somebody was saying, he does not even have a representative here today; that is how much he cares for injured workers. I think it is very surprising since he comes from a city of industrial capacity such as Windsor and since his parliamentary assistant is of Italian origin. Yet these people come here, crippled, on canes, you name it. They are all sick and tired of the same nonsense, and nobody is here as the minister's representative to hear their problems. It is not fair.

We are injured workers, but we are not stupid. I guarantee you that. We might be walking on canes and crutches, but we are not stupid. We might not go to high school and university, but we go to Loblaws and we know what it costs to eat. It costs as much for us to eat and to fill the car with gas as it costs anybody else in this province. They do not ask how much you got from the compensation board; they tell you it costs \$2, and

you have to pay \$2. Do not look at us as invalids, disabled, injured and stupid. We are human beings, every one of us in this room, the same as anybody else.

There is another problem that keeps coming up year after year with us and, once and for all, somebody has to change the system. It makes no sense that I have meetings with people who are responsible for their divisions. Somebody has to change the system.

As you know, you have inquiries about the gold miners, inquiries about this, inquiries about that. It cost \$1.9 million for the asbestos hearings. The report was four years in the making and took two years to release. Not one single item is implemented today.

There is only one thing we press for because we want to avoid confrontation. We had a meeting with Dr. Elgie and his group not too long ago—and it has been on about a yearly basis, no quarrel about that. The legislation, the act should be leading the WCB—here, these people. You are going to be meeting again some time to draft another one of these. You could give them the same one, as far as I am concerned. I would not change a thing from last year, Mr. Chairman.

One thing is going to have to change. Everything has to change, but one major problem is going to have to be in there. I have calls all the way from Victoria to Newfoundland about X workers in the asbestos industry, whether in Timmins or in Windsor at Manville, asking me how come they are not being surveyed.

Their doctors tell them they have asbestosis, they have the disease, so I phone the compensation board and you give them a number and that is all. That is as far as they go. You give the guys a number. It is like being in jail. Remember the guys in Nuremberg. They all had a number, GJring and all the others. I still remember it very vividly because I had to fight them. They give you a number, but you do not get anything until you die because then there is an autopsy report.

Why can the man not go to his own physician and have his own physician send a report? That should be good enough for the compensation board to compensate these people. There is enough information to compensate these people.

On December 7, I had a meeting with a Dr. Pelmar. I had never seen him before in my life. When I went there, I nearly went flat. He was so nice and he was going to survey every ex-asbestos worker. You know why? Because Dr. Finkelstein at 400 University has the name of every man and woman who ever worked in asbestos, so they had no problem. All they had to



do was pile them in and give them a checkup. Today, March 12, not one single guy has been called. In fact, some of my people gave me hell because I promised them they would be called. Some of my people phoned there and were told, "Oh no, unless you have a claim number, we cannot."

**1600**

Want to hear a good story? The royal commission said this is a world disaster that Johns-Manville created. Want to hear a good story? The Manville corporation has offered to do the surveillance. How can we trust them? We trust our doctors, our family physicians, because we have been neglected by the same system for a very long time. I think we have had enough of these people.

I would like to tell you that, without your help and with your good understanding, with all due respect to everyone of you in here, we cannot carry on. You hear today about a guy who does some shooting, and another guy is in the nut house. Well, no wonder. Heck, these people cannot afford to go to Loblaw's and send their kids to school and pay the rent. What are you going to do?

A few years ago there was a study by the member for Sudbury East (Mr. Martel) in the Sudbury area about the people who had to go to the nut house. I never thought it was going to be the same in the Toronto or Metro area, but it is the same in this area today, and all over Ontario.

There were changes at the board, but look at page 26 of our brief. It says that when you have a dead tree, you have to chop the whole thing and not a whole branch. I remember a few years ago, and so do you, when they had the Mediterranean fly disease in California. You all know what they did. They chopped down every tree and burned it. They did not burn half of it. It makes no sense to change one or two or three people at the board.

If you are going to change the system, change the act and make the board responsible to the Legislature. You are the ones who have to face the public every four years or every two years.

**Mr. Buonastella:** I would like to draw your attention to page 23 of the brief, to a section called Security Firms, Private Eyes and Human Rights. I will not read it word for word.

Over the past few years, the compensation system has become more complex and legalistic, but in some areas it is even worse than it was before. For example, did you know that unscrupulous companies and unscrupulous lawyers pay thousands of dollars hiring private investigation firms secretly to follow and spy on injured

workers? Some of these companies even boast that they can enter the residence of the injured worker to try to take pictures of him or her in the hope of using these pictures against his compensation claim.

How would you feel if your boss and his lawyer dragged you before a hearing officer or before the appeals tribunal and pulled out about 100 pictures of your private life? We have some of these pictures here. These are pictures of injured workers followed and spied upon. You would react by being devastated at the invasion of your privacy.

Typically, the investigators hide in front of the residence of the injured worker by 7 a.m. and secretly follow every move of the worker as if the worker was a criminal or a terrorist. These parasites do not really discover anything new. Fakers and malingerers are already caught by the many doctors who have to see the worker repeatedly, and we have been told as much by testimony given at the Villanucci hearing by several specialists.

Companies do not really need to waste any money on these private eyes, especially since they are so concerned about compensation costs going on, as we heard this morning. If they have all this money available to spend, they should invest all of it in creating safe working conditions to prevent the injuries in the first place. What is the use of these spies? That is the only word I can give for them. What it does is to devastate the morale and the confidence of the injured worker.

For example, one of the injured workers we represent has had to seek psychiatric help after finding out he had been followed by one of these spies. It raises the following questions. Did this help him have the peace of mind necessary to get well? Did the use of the private eye help him concentrate on his vocational rehabilitation? Is this the compensation system we really want? The answer to all these is obviously "no," because it is a shame and it is a deep scar in our compensation system.

Unfortunately, the Workers' Compensation Board has done nothing to stop this abuse of injured workers. We informed the board as far back as 1982 about these practices. We have a letter to the board and its response. The former chairman of the board told us in a letter that while the board did not condone the activities of these firms, it would still accept these secret pictures and put them in the worker's file. This kind of response sounds to us like saying that someone does not condone the practice of apartheid but still supports the Botha government.

The chairman also told us the board has no jurisdiction to stop these parasites. The board could easily and quickly have approved a WCB policy to exclude these kinds of pictures and reports from any injured worker's file. They have all the jurisdiction in the world to do this—it is policy. If the board was serious in wanting an expansion of its jurisdiction to stop these firms, it has all the power under clause 71(3)(b) to recommend to you, the standing committee on resources development, that a legislative amendment is necessary; but it has not done this either, and we have followed standing committee after standing committee.

As you know, the compensation board has now jumped on the internal review bandwagon. You name an area, and the compensation board is studying it or reviewing it. It looks very efficient on paper, but the WCB continues to ignore this very fundamental denial of the rights of injured workers. We believe that if the compensation board is not interested in solving this problem we trust that you, the standing committee, will be interested in eliminating this abuse.

We put forward one recommendation in the brief; it is actually two-in-one. The first one can be implemented immediately. It is that the compensation board adopt an immediate policy of rejecting any of this information from entering the worker's file, and when it is already inside the file of the worker that it be rejected. The second is that legislation be passed to stop these parasites of the compensation system.

I would like to touch briefly on hearing loss. This was already discussed by the Ontario Federation of Labour. It is basically saying what we are saying.

We have enclosed in our brief the report of the audiologist from the Canadian Hearing Society to which they were referring. It is somewhere in our brief—after page 21. Patricia Abramowicz says the board is using the wrong speech frequencies to estimate the hearing loss of workers. What they do by using these figures is to underestimate the real extent of the hearing loss of the worker. She says a more realistic and fair figure to use would be to eliminate the 500 hertz and go into 1,000, 2,000, 3,000 and 4,000 hertz. This does not need another Weiler report or anything else; it can be done immediately.

1610

The last issue I would like to touch upon is an issue that affects many of the workers in here as well. Many of them cannot qualify for a Canada pension, or at one time or another have not been able to qualify for unemployment insurance

benefits. That is because the board, as a matter of policy and legislation I presume, does not make the contributions to these federal plans—the unemployment insurance plan, the Canada pension plan and others. This is something you have previously noted as a problem. Weiler said it should be changed, and we think it is high time it is changed.

Thank you for your attention.

**Mr. McKinnon:** I will just get myself a little closer to the microphone.

I would just like to highlight some of the concerns about the function of the Workers' Compensation Appeals Tribunal that are dealt with in our brief. When you have the opportunity to read our brief, you will find those proposals for reform in a condensed version at pages 39, 40, 45 and 46.

Before I begin, I would like to temper my criticisms just slightly with a few positive comments because, in certain respects, the Workers' Compensation Appeals Tribunal has really proven to be up to the task ahead of it. They have shown a consistently high calibre in their membership. Their written decisions demonstrate a very high quality of reasoning. In my submission, their approach to leading cases shows a sufficient degree of respect for injured workers and a sensitivity to the issues involved. Their publications department is just smothering us all with information about what they are doing. They have made some good decisions and some significant decisions. There are really several hundred injured workers out there who will feel for ever indebted to the Workers' Compensation Appeals Tribunal.

Still, there are over 100,000 injured workers out there, and none of them is really eating any better or sleeping any better since the Workers' Compensation Appeals Tribunal came into place. We are concerned that the decisions of the appeals tribunal are not going anywhere at the Workers' Compensation Board. The wealth of detailed medical information and the analysis of compensation issues contained in decisions rendered by the appeals tribunal are blending into the process of the compensation board's decision-making like oil with water; it sticks at the top. It is not good enough just to send a copy of the appeals tribunal decisions to the compensation board executives for information purposes, because the Workers' Compensation Board's treatment of the principles established by the appeals tribunal ranges from ignorance to hostility, and in between there is mostly indifference.



Just to take one example, take the medical condition known as fibrositis. The appeals tribunal has held a number of cases involving that. They have held a leading case, obtained all the literature, called in the experts and decided that fibrositis is a legitimate medical condition which can be caused by an industrial accident.

Meanwhile, back at the compensation board, they still have not established their position about whether it is a real condition and whether it can be compensable. In many respects, after the appeals tribunal has already considered an issue, we find that the compensation board is reinventing the wheel. We are not sure their wheel is even going to be a round one.

You can have the finest appeal system in the world, but it is of no value at all if nobody knows or cares what it is doing. The decision-makers below must know and apply the principles set out in the appeals tribunal decisions. Therefore, it is our submission that the Workers' Compensation Board has to be directed by the Legislature to inform all levels of decision-makers about the reasons for a decision of the appeals tribunal. It must be told to incorporate the medical information and the reasons for a decision of the appeals tribunal into its own decision-making process.

The second concern I would like to highlight for you relates to the accessibility of the appeals system. We must never forget that the only reason we have a workers' compensation system is that the courts could not do the job adequately. The courts were not accessible to injured workers. The courts took too many years to make a final decision and had so many complicated rules and procedures that you needed to afford a lawyer in order to make your case. If we do not watch out, we are likely to find that the appeals system now is no better than the courts can offer.

An example is time delays. There are many appeals before the appeals tribunal for a year before they are decided. Often, they are at the Workers' Compensation Board for a couple of years before that. Many of these injured workers are seriously disabled. They are living in poverty, on charity, with welfare and loans from friends. You try to explain to them that the workers' compensation system is best for them because the courts are too slow in deciding the claims. It does not wash.

Take another concern: the legalistic rules and procedures. I recommend that this committee request the Workers' Compensation Appeals Tribunal to provide it with copies of all the documents and decisions that deal with the practices and procedures of the Workers' Com-

pensation Appeals Tribunal. You will probably find that there are more pages and more rules than you would ever care to know or read. The more that is known about the appeals tribunal by members of the public, the more it becomes a place where lawyers feel comfortable and people with no legal training do not.

This is a significant barrier to access by injured workers. The appeals tribunal must stop this trend towards legalism now. It must be given the staff that it needs in order to decide cases quickly, or the workers' compensation system is in danger of becoming no more effective than the courts it was designed to replace.

The third concern I would like to raise with you is that the appeals tribunal has really done very little to assist those injured workers whose plight led to the creation of the tribunal. The tribunal was created in a radical departure from the old system. The tribunal was necessary because the process of appeal to the old appeals board was just no good. The appeal commissioners were not independent from the board. They were the board's employees. The quality of reasoning in the decisions rendered by the appeal board was often very poor and often demonstrated only a superficial appreciation of the issues involved in the cases.

The appeals tribunal was set up and workers were given a right to ask for leave to appeal an appeal board decision up to the appeals tribunal. That is in section 860 of the act. Now the act says that the appeals tribunal ought to give leave to appeal if there is substantial new evidence or if there is good reason to doubt the correctness of the appeal board decision, but the problem is that the appeals tribunal has dragged in a concern for finality of claims at the WCB. The position of the appeals tribunal is that it is not sufficient that the tribunal would have reached a different conclusion than that of the appeal board; the position of the appeals tribunal is that the tribunal cannot just review the evidence to determine whether it might arrive at a different conclusion.

The WCB is obtaining the benefit of the finality of old claims disputes without the need to give them a fair hearing. The message to injured workers is clear. They are being told that, although the appeal board did not provide them with an acceptable standard of justice and although the appeals tribunal might decide their cases differently if it was hearing the appeal, these injured workers have been condemned to live with the appeal board decisions for the sake of administrative convenience. If you cannot change the approach of the Workers' Compensa-



tion Appeals Tribunal on this issue, then you should change the wording of section 86o to give it a more honest effect.

The fourth and final point I would like to deal with, in my submission, is the most perverse aberration from justice that you are likely to find in any Ontario statute. That is section 86n of the act, which says that if the corporate board of the Workers' Compensation Board does not like a decision of the appeals tribunal, it can tell the appeals tribunal to change it. This makes a sham of the whole appeals process as an independent tribunal. We can see the reality of it clearly now.

The Workers' Compensation Appeals Tribunal can decide cases the way the corporate board likes and decide that the first time around or it will be told to go back and do it again. No one in his right mind will believe that this guarantees a right of appeal to a fair and independent decision-maker. There is no precedent for this in any other justice system.

Imagine being in the criminal courts, where you defend yourself to the highest court of the land successfully and you walk out of the Supreme Court a free man. The next day, you find that your freedom has been suspended and the board of police commissioners has told the highest court to change its decision because it does not like it. That is what is happening in decision 72. It is offensive to any concept of justice. In our submission, the only solution is the repeal of section 86n.

Thank you. Those are our remarks.

**Mr. Chairman:** Ms. Smith, thank you for your collective approach. I am sure the members have questions. I just remind members that we have another group to appear before the committee this afternoon and that we keep the questions and answers relatively brief and to the point. The first question is from Mr. McClellan.

1620

**Mr. McClellan:** I would like to thank the group for presenting such a comprehensive and moving presentation to the committee. My colleague and I in the New Democratic Party share your disappointment and frustration, if not your cynicism, about promises that were made and not kept. We entered into those negotiations in good faith and, for our part, indicated that if reform initiatives were brought forward by the new Liberal minority government we would support them. We are still waiting for those reform initiatives, and time is almost gone.

Second, the Weiler report that came out recently is a waste of everybody's time, and I have told the Minister of Labour that I do not

intend to waste my time dealing with it. We told him on Monday that we wanted the government to produce a statement of policy, at the very least. If it is not going to produce legislation, let it at least produce a policy statement. We would be prepared to discuss it and work on it seriously. I do not see any point in wasting any more time with material such as the rehashed, warmed-over Weiler reports, which we all rejected three years ago.

On the question of the reform to subsection 45(5), I thought your suggestions were really quite brilliant. I thought that was a very refined suggestion, which we will pressure the Minister of Labour to act upon. One way that is always helpful is to introduce a private member's bill based on your suggestion. That is something we can do immediately when the House comes back in April. I will make a commitment to you that we will introduce legislation from one of the members of our caucus putting forward this legislative proposal. We will try to get it debated at the earliest opportunity and, hopefully, since it is so sensible, get it passed in the Legislature. Maybe the government will allow it to stand as an amendment to the Workers' Compensation Act or maybe the government would prefer to bring in its own amendment. We will wait and see, but I think that is a suggestion that has such merit that we want to try to proceed with it as quickly as possible.

I think the brief stands for itself. We will study it carefully. I will yield to other people who may want to ask questions.

**Mr. Haggerty:** I direct a question to the chairman of the Workers' Compensation Board. The matter has been raised about the supplementary benefits. I just received a telephone call this afternoon from a person in Mississauga who is concerned about it, and this is what has happened to him. It has happened time and time again. He is going in for a medical assessment for a permanent partial disability on March 20, and his supplementary has been cut off since December 27. Is it reasonable or practical for the Workers' Compensation Board to be doing this when a person is up for assessment for a permanent partial disability?

**Dr. Elgie:** I do not know the case, Mr. Haggerty. You will have to give me the details.

**Mr. Haggerty:** It is not just one case. A number of them have taken place.

**Dr. Elgie:** I cannot answer a question like that in the abstract. I think you understand that.

**Mr. Haggerty:** What is the board's policy in this area? Section 45 outlines this as well.

**Dr. Elgie:** I would have to know the particular case and then discuss it.

**Mr. Chairman:** I would caution you too. This afternoon was for the groups to make presentations to the standing committee on resources development. I would urge you, Mr. Haggerty, to deal with the groups that are appearing before the committee.

**Mr. Haggerty:** It is dealing with the bread-and-butter issues.

**Mr. Chairman:** I understand.

**Mr. Haggerty:** This is what the witnesses this afternoon presented. What steps has the Workers' Compensation Board taken in the matter of the study that was completed and the recommendations of the Royal Commission on Matters of Health and Safety Arising from the Use of Asbestos in Ontario? This has been kicked around for a number of years. When can we expect some action in this area?

**Dr. Elgie:** We have implemented many changes in it and we have forwarded some issues to the Industrial Disease Standards Panel. We have sent some responses to the Ministry of Labour. That would be quite a lengthy matter to get into at the moment.

**Mr. Haggerty:** So I am clear on this, am I to understand you have sent recommendations for change or action to the Minister of Labour for him to respond to?

**Dr. Elgie:** Actually, I said we had given our responses to the recommendations to the Ministry of Labour.

**Mr. Haggerty:** They are sitting on his desk then.

**Mr. Chairman:** Mr. Haggerty, tomorrow morning the Minister of Labour is appearing before the committee to hear from the two opposition critics and to respond to any questions from the members, so some of these questions can be dealt with tomorrow.

**Mr. Haggerty:** With all due respect to the chair, if I do not get the information from the Workers' Compensation Board I do not have a question to ask the Minister of Labour tomorrow. I want to follow up with it.

**Mr. Cauchi:** I wonder whether it is possible to give us a copy of the implementations from the asbestos report, as Mr. Haggerty suggested. We would like to have a copy of the implementations being done, if possible.

**Dr. Elgie:** This is a report that was submitted to the Minister of Labour and it is a matter he would have to deal with.

**Mr. Chairman:** The Minister of Labour has it.

**Mr. McClellan:** What is the title of the report?

**Dr. Elgie:** It is not a report; it is a review of the Royal Commission on Matters of Health and Safety Arising from the Use of Asbestos in Ontario.

**Mr. Chairman:** Perhaps members of the committee can request it from the Minister of Labour tomorrow morning.

**Mr. McClellan:** When was it done?

**Dr. Elgie:** There were some done on my arrival and I had them reviewed and revisited.

**Mr. Gillies:** My question arises out of the one that was just asked. We will have to ask the Minister of Labour where things are on the asbestos report, but as Mr. Cauchi noted, we made a recommendation on it a year ago. As a group, are you aware of any progress that has been made in this matter in the past year? Have you heard anything as to where it stands?

**Mr. Cauchi:** Nothing new from day one. As far as we are concerned, with regard to the asbestos workers or industrial disease workers, the only thing that has changed is that you people think the Industrial Disease Standards Panel is studying the problem. They are not. They would not even answer our letters. I got a letter yesterday from our lawyer. The Industrial Disease Standards Panel refused to deal with the asbestos problem. Why do we have an Industrial Disease Standards Panel?

**Mr. Gillies:** That is a valid question. You probably are not aware yet of the letter written by the chairman of the Workers' Compensation Board to the United Steelworkers of America regarding the gold miners' situation.

**Mr. Cauchi:** No, I am not.

**Mr. Gillies:** I want to make two points to you because you said in your remarks that this matter had been settled, which was what a press report said. In fact, we learned this morning from Dr. Elgie that the matter has not been settled yet. It is still being negotiated. We hope it will be settled in a number of weeks but the report in the Globe and Mail was inaccurate.

**Mr. Cauchi:** I was here Tuesday when he said it was not settled.

**Mr. Gillies:** Further to that, it is interesting that we see in this letter that the matter of the compensation for gold miners and their survivors has been taken out of the hands of the Industrial Disease Standards Panel, because, "They could not deal with the matter in a timely fashion as has



been requested." The board therefore struck its own expert committee headed by Dr. Anthony Miller.

**Dr. Elgie:** Perhaps I can correct that misinterpretation. The panel, having been asked to deal with the matter expeditiously, advised the board that it was unable to do so in a timely and expeditious way, and that if the board felt it was an important matter that should be dealt with in a timely fashion, the board should proceed on its own by whatever method it chose, while the panel continued to look at it as well. It was not taken out of their hands. I thought there was general concurrence among all of us that it was a matter that should be dealt with in an expeditious way.

**Mr. Gillies:** I do not disagree with you. It does not say in this letter that the matter is still with the panel, but that it has been given to Dr. Miller. I take some encouragement from you that in fact the long-term, if you will, the detailed work is going to be done by the panel. Okay.

There are a hundred questions I could ask, but time is a problem.

**Mr. Cauchi:** I have lots of time.

**Mr. Gillies:** We have all kinds of time. I am just a little concerned about the other group that is going to appear. I did not understand your comments about Dr. McCracken. As you put them on the record, I think we had better clarify exactly what the problem is there, because I am not clear.

**Mr. Cauchi:** Dr. McCracken appeared in front of the committee in 1980. I believe Dr. Mitchell replaces Dr. McCracken.

**Dr. Elgie:** That is correct.

1630

**Mr. Cauchi:** He was the board's medical director in 1980. I have Hansard if you want to take a look at it.

**Mr. Gillies:** Your complaint was that he was not a fellow—

**Mr. Cauchi:** Not him. He was answering about a specific physician who was working at the board at the time.

**Mr. Gillies:** Your contention is that the physician in question was not properly qualified?

**Mr. Cauchi:** This was brought up year after year and it is still being brought up in political circles. I do not want to make political hay of it. I want to make it a health problem, because as far as any of us are concerned, whenever we are not feeling well, we try to get the best medical attention. If one doctor does not give you the

good advice you think he should give you, you are going to seek another one. Every one of us, including the King of England, will do that.

Year after year, I could see the frustrations of this committee but you could also see the frustrations of our problems. I have Hansard from 1985 when the chairman asked Mr. Ellis, chairman of the Workers' Compensation Appeals Tribunal, how long it takes to process an appeal hearing. In his opinion, it was six months. I hope Mr. McKessock is listening. He said it was impossible and Mr. Ellis said, "Yes." "So are we talking 10 or 11 months from the time you ask for an appeal until it is completed?" Mr. McKessock asked. Mr. Ellis said, "No, six months."

Let me give you some advice. When the appeals tribunal started, I put in for an appeal hearing and it refused to hear my appeal. You all know when the appeals tribunal was created. I have been waiting that long for myself and my fellow workers from the asbestos industry. Why? Because it is waiting for the Industrial Disease Standards Panel to come up with a solution. Therefore, the appeals tribunal cannot hear our cases. Do you want me to tell you something else? Five died within the last two years of the appeal.

**Mr. Gillies:** Mr. Cauchi, you continue to represent the asbestos victims and you have as long as I have known you, for a number of years. You pointed out that when I was parliamentary assistant to the Minister of Labour, you and I met several times. You met with Mr. Ramsay and I am sure you met with Dr. Elgie.

**Mr. Cauchi:** Many times.

**Mr. Gillies:** You are telling me that as a representative of—how many workers?

**Mr. Cauchi:** Right now we are organizing in Windsor—we were there last week because there are some frustrated widows and disabled workers there—Timmins, Sudbury and mines all over northern Ontario. I hope that before June 1, injured workers in Ontario will have a very large representation. I want to stress that the problem is funding. I am on compensation. I do not charge anyone to represent him. I spend my money from my own pocket every time I come to Toronto. I think some of you are sick of me walking around here in the corridors.

**Mr. Gillies:** Not at all.

**Mr. Cauchi:** Some people think I work here and I keep telling them that I do work here.

**Mr. Gillies:** You just do not get paid to do it.



**Mr. Cauchi:** If I did not bug you people, nothing would get done. It is work.

**Mr. Gillies:** Specifically, I want to know how many actual asbestos victims you have been working with for a period of years. We are talking of several hundred people.

**Mr. Cauchi:** I am talking of several thousand people. Johns-Manville hired more than 7,000 people. As I said, I have people in Nova Scotia who call me.

**Mr. Gillies:** My concern is that with the work you have been doing and with the number of people you have been representing in this regard, you are telling this committee that in the almost two years Mr. Wrye has been Minister of Labour, you have not been able to secure a meeting with him.

**Mr. Cauchi:** You are exactly right. We requested a meeting and he referred us to other people. He wants a secondhand meeting. I do not settle for secondhand meetings.

**Mr. Gillies:** I am going to raise that with the minister tomorrow. I think that is more than unfortunate; it is outrageous.

**Mr. Cauchi:** I would like to carry on with one more item. Do not forget that we are all injured workers living on very meagre pensions. Everywhere we go, we pay from our own pockets. We have families to support and we have expenses to pay for shelter, food and everything else. We are not compensated for anything. We asked for money from the Minister of Labour more than a year ago. I have the letter here and he did not even have the guts to answer that letter.

**Mr. Gillies:** I will close with one final question. This takes the form of a bit of a quiz, because as you said, you have probably read every Hansard, every report, every study and every comment that has been made around here on this subject for a number of years. Can you tell me who said, in a dissenting opinion on workers' compensation reform that followed the white paper in 1983: "An employer should offer re-employment to an injured worker if suitable work is deemed to be available by the board, or face increased assessment costs.... In doing so, any such employer refusing re-employment should face increased assessment costs amounting to 100 per cent of any wage loss suffered by the injured employee, plus the cost of any fringe benefit loss"?

**Ms. L. Smith:** Bill Wrye.

**Mr. Gillies:** You are too late. We have a winner.

**Mr. Cauchi:** It is in the Hansard of October 1, 1985, in the morning sitting and it was said by Bill Wrye.

**Mr. Gillies:** Excellent.

**Ms. L. Smith:** He gets more points than I do. He got the date.

**Mr. Gillies:** It is also in the December 1983 document entitled Liberal Dissenting Opinion on Workers' Compensation Reform, so you will have to split the prize.

**Mr. Cauchi:** If I may for one minute, what bothers me is that the last time I spoke here with regard to asbestos workers, there were five members of the Liberal Party. Today they are ministers such as Sweeney and Van Horne; Sheila Copps was here. I have been coming here for a long time. Today they do bugger all about it. They are all out in the wilderness in Cornwall or some place, deciding about the next election, while we are here starving.

**Mr. Gillies:** I might note, and I will close with this, that the three members who signed the dissent are all ministers now—Mr. Riddell, Mr. Sweeney and Mr. Wrye.

**Mr. Chairman:** Ms. Smith, on behalf of the committee, I thank you and your colleagues for coming before the committee. You have given us a very substantial brief and backed it up with some very strong representation from the members of your group.

**Ms. L. Smith:** Thank you very much for giving us the opportunity to make this submission. I would like to address one very small point that may seem to be nitpicking. I would like to address it not just to the committee but to everybody here. Sunday was International Women's Day. Many people have been in this area of work for a long time so I can understand why they say "Workmen's Compensation Board." I think everybody should make a special effort to call it the Workers' Compensation Board.

**Mr. Chairman:** If I were not so modest, I would tell you that I had a private member's bill about five or six years ago that changed the name of the board from the Workmen's Compensation Board to the Workers' Compensation Board.

**Mr. Cauchi:** I could tell you the date of that.

**Mr. Chairman:** I am too modest to do so.

**Interjection:** Come on.

**Mr. Chairman:** No, I will not do it. The committee will come back to order.

1640

**Mr. Pierce:** We were never out of order.

**Mr. Chairman:** It seemed to me we were.

The next group to appear before us is the Ontario Legal Clinics Workers' Compensation Network, which is quite a mouthful in itself. The Association of South West Legal Clinics is here as well. Welcome to the committee. I know there was some unhappiness about not having enough time for separate groups to appear before the committee. We do apologize for that, but time has been a problem with us all the way through.

If you would introduce yourselves and proceed, we would be pleased. Is there a written brief?

**Mr. Hunter:** Yes, there is.

**Mr. Chairman:** This one here?

**Mr. Craig:** There are two, actually. There is that one and there is ours as well, which I have given to Mr. Decker. I guess he has them.

**Mr. Chairman:** Okay. We will get them.

#### ONTARIO LEGAL CLINICS WORKERS' COMPENSATION NETWORK

**Mr. Hunter:** My name is Terry Hunter. I am a lawyer and the director of the Simcoe Legal Services Clinic in Orillia. I am also the co-ordinator of the network, which represents all those clinics of the 60 funded under the Ontario legal aid plan that undertake workers' compensation. I think it is fair to say there are thousands of clients represented through this network.

To give you an idea of what we do, we have representatives from northern, eastern, south-west and central Ontario, plus Toronto. We meet on a regular basis for the exchange of information and the planning of projects. I have been asked, on behalf of that network, to deal with two specific issues.

The first I would like to deal with is what I call the rule-making power under section 86k of the Workers' Compensation Act. That is the section that allows the Workers' Compensation Appeals Tribunal to determine its own practice and procedures, subject to approval by the Lieutenant Governor.

I think what you have heard with respect to WCAT is that it is either too legalistic or, because the issues before it are so complex, it has developed the appropriate procedure to proceed with those issues and, it is hoped, the resolution of those issues will trickle down and have an impact upon the whole system.

The rule-making function of the tribunal is very extensive under that section. You will see on page 2 of the brief two examples. One, they have instituted what they call the 21-day or three-week rule. That is, if you do not have

material before them three weeks in advance, that material is not accepted. It has been brought to the degree of sophistication that where the parties appearing before the tribunal agreed to the introduction of what was felt to be relevant material, the tribunal would not accept it because it did not meet that rule. In my view, that is somewhat absurd. If the search is for the truth and justice and to deal with the case on its merits, the test should be the relevancy.

The other major rule-making function that has come out of the WCAT is the use of the tribunal counsel office, which has certainly gone a long way to developing the legalistic nature of the tribunal.

The members of the network have specific concerns with respect to several of the procedures or practices adopted by the tribunal. They are as follows:

1. The tribunal's practice with respect to interveners.
2. The role played by tribunal counsel.
3. The use of precedent material by the counsel and making that available to representatives of injured workers.
4. The use of the chairman's own counsel in reviewing particular decisions of the panel.
5. A procedural right to withdraw in a particular hearing.

Where concerns have been raised about the procedure adopted by the tribunal, they have been with respect to individual cases. If you are appearing to appeal a decision not to provide temporary total and you say, "I do not want tribunal counsel to take that role," you are merely met with the response in the individual hearing that that is a procedure adopted by the tribunal and it has the power to adopt it. End of query.

There is no real forum in which to dispute the procedure that it has adopted, except with the Legislature or, if it leads to procedural unfairness, by way of judicial review. What the Network is proposing to remedy this is that section 86k be amended to provide for the inclusion of a rules committee as part and parcel of the procedure-making of the tribunal.

Rules committees are not new to this Legislature. In the Courts of Justice Act, which was brought in in 1984, they took the former practice, in which the rules committee for the production of Supreme Court rules had been a committee of the bench and the bar, and incorporated it into all the levels of court that exist in Ontario.

I have included for you section 85, which is the rules committee that deals with the small claims court, a court where you would hope to find an



informal, accessible procedure. I have some knowledge of that because I was a member of the rules committee for that court. It was composed of judges, lawyers and other interested parties. You will see that there is extensive power for that committee to make rules for that court. I will not go through them, but they touch all of the procedural aspects of the small claims court.

The section of the Courts of Justice Act also says that the rules committee has the capacity to change the substantive law. What that means in practical terms is that if you are a regular party before the small claims court and you say, "God, they are doing something here that impedes access to this court" or seems to be legalistic or whatever, there is a forum to which you can readily take your complaint. That forum will be convened and will deal with it. It might accept it, it might reject it, whatever, but it does allow matters of procedure to be dealt with by those users of the court so that procedure does not interfere with a proper adjudication of the matter.

As I indicated, that appears proper to us because, when you are dealing with compensation matters, not only does the tribunal have the right to determine its own procedure, but also, as you know, there is no further appeal from its decision. So there is some finality, and we strongly recommend that you consider the use of a rules committee.

A clear example of the utility can be seen with respect to the intervener status, as you have heard from Mr. Ellis on past occasions. You think it very important that there be a leading-case strategy so that those matters of particular concern will be dealt with and all the various interests will come together.

I have reproduced for you a letter which was received from David Starkman, who is tribunal counsel. He says in that letter that where there are people who are interested in becoming interveners on a particular matter before the tribunal, all those people in that constituency should come together, organize themselves and meet to decide who will be coming forward to ask the tribunal to intervene.

This is a very cumbersome process which is very intrusive on the organized constituent groups, be they injured worker, employer or whoever; yet it also does not take into account that those constituencies change over time. In my own view, it is a highly unworkable process, and it is shown to be unworkable inasmuch as the tribunal has not as yet formally adopted that process.

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By contrast, I would ask you to look at rule 13.03 of the Rules of Practice, which is a rule that was proposed by the users of the Supreme Court and district court. It is a model of simplicity. It merely says that where a person who is not a party to a proceeding claims that he has an interest, that he may be adversely affected or that there exists a question between him and one or more of the parties in common with others, he can apply on a simple motion and say: "This is what I have in common or this is the way I think I will be adversely affected. Let me intervene."

That represents a graphic illustration of the utility of allowing users to have an impact. With respect to compensation matters, it may be said that because it is a tripartite tribunal, all these things are being taken care of or are institutionalized. That very rapidly breaks down once the tribunal is up and running, because there is a real difference between the decision-maker and the user. They have different interests and concepts of what may be effective procedure.

As I indicated in the brief, Mr. Ellis said that the tribunal is only interested in procedure which is effective, efficient, fair and objective. I am not suggesting that the tribunal does not try to meet that ideal, but it can only be enhanced by the use of a rules committee to impact upon that procedural matter. You have heard, and you will hear in the future no doubt, some groups say it is legalistic and some say the issues are too complex and we must have that degree of sophistication in order to deal with them. I suggest to you that a quite effective method of dealing with it is by incorporating that process into section 86k. There is a lot of precedent for something that has existed in decision-making in Ontario for a long time.

The only other matter I briefly want to touch on is what I have referred to as the statistical base. A colleague of mine came before you on the last occasion and said that many of the people we dealt with suffered incredible hardships as a result of the time between when they are injured and apply for compensation and when they receive those benefits. I am aware of the statistics maintained by the board. They say 98 per cent of uncomplicated claims, claims first instituted on a doctor's report, and complicated claims. That is fine, but I do not know what the real numbers are in terms of claims the board handles. How many of them are complicated?

It appears to me that in the files I and the four lawyers in our office handle there are a lot of difficulties. Clearly, the tribunal also feels that



way because it is now having a leading case on the question of whether it has the capacity to award interest. I merely suggest that this committee direct either its researchers or the board to look at the collection of that type of statistical base, so that when this question arises again and you look at whether a worker should continue to receive benefits pending the exhaustion of his appeal remedies, there is more than mere speculation.

Of course, in my view, much of the material that comes before a committee such as this is speculative and not supported by hard numbers. I think those statistics are available to the board. We have written on several occasions and asked Dr. Elgie to provide them, but we have never been successful in obtaining them. I commend you to take a strong look at obtaining that type of information.

Subject to any questions you may have, that is the extent of the matters I wanted to raise with you.

**Mr. Chairman:** Thank you. Do you wish us to go ahead with Mr. Craig first and then questions?

**Mr. Hunter:** Sure.

**Mr. Craig:** My name is David Craig. I am a lawyer with the Halton Hills Community Legal Clinic and am speaking on behalf of approximately 12 clinics from southwestern Ontario. You have a submission from us which is very brief, and my oral submission will be even briefer.

Our brief deals with two things. One of them is something which was raised by Mr. McKinnon in the previous group's presentation, the fact that tribunal decisions are not filtering down and being acted upon by the board at this point. Much is changing at the tribunal level; nothing is changing at the board level. I will leave the point at that.

The other point I want to make is that this committee has expressed concern throughout the several days of hearings about the legality and the complexities it perceives to exist at the tribunal level. You have heard similar representations from other groups. It is with some trepidation that I wish to take a somewhat different view—and this is the view of my colleagues in the southwest—and offer some sober second thoughts on that.

As do clinics generally, the clinics in the southwest represent not only injured workers but also other clients before boards such as the Social Assistance Review Board, the board of referees and the Residential Tenancy Commission. Those

boards and tribunals are models of simplicity. They are wonderfully accessible, and there is nothing legalistic about them. They also do not work. The adjudication you get from them is routinely dreadful.

It is our submission too that the high quality of decisions which we are getting from the Workers' Compensation Appeals Tribunal—and they are high-quality decisions—have a price. High-quality adjudication has to have with it some complexity and legalism. Through the decades, our legal system has experimented continuously with trying to get away from legalism. What we invariably discover is that if you go too far from so-called legalism, what you end up with is low-level, poor adjudication.

We represent several hundred clients on claims before the board and appeals before the tribunal, and it is our submission that in our work with the tribunal, it is not developing unnecessary legalism. It is not enamoured of legalistic practices. As an example of how it does work, I refer you to decision 12. One gathers from reading the case that it was a decision, and it is one of many, where a woman with no representation or legal skills went before the tribunal with no submissions to make other than that she hurt, that she was injured and that it was a compensable claim.

As I recall, the tribunal, on its own, identified that as a possible chronic pain problem. It had her referred to a chronic pain clinic, received the reports and made a finding that there was a chronic pain problem and allowed the appeal. That is not a legalistic process.

If you are addressing yourself to the question of legalism and complexity, my submission to you is that you look at it very carefully, define very clearly what you think the legalisms are and ask yourself whether the high-quality adjudication the tribunal is providing will continue if those so-called legalisms are removed.

That is my submission.

**Mr. Chairman:** Are there any questions from members?

**Mr. McClellan:** Apropos of nothing, by and large, I agree with the comments you just made about the quality of the adjudication we are getting from the tribunal. I have not found in my own experience that the procedures are other than helpful, although at the beginning of the process, particularly when companies were coming forward with legal counsel and engaging in hour after hour of procedural motion, an impression was created that we were heading into some kind of dreadful morass. My sense is that is no longer

taking place. I do not know whether that is your experience as well.

**Mr. Craig:** It is. I heard some of Mr. Ellis's submission to you yesterday. I think what he said was that at the beginning there was a great deal to be sorted out and they inherited a great many of complex issues and, of course, had to set up a tribunal from scratch. There was some sorting out at the beginning. I share your opinion that it largely has disappeared at this point.

**Mr. McClellan:** One concern I continue to have is about the issue of leave to appeal. We are finding it very difficult to understand why this is happening. The presentation from the injured workers groups indicated that some of their members found themselves ineligible for a hearing before the tribunal. What is your experience with the leave-to-appeal issue in each of your respective areas?

1700

**Mr. Hunter:** I think there is no doubt that the strange thing is that it is harder to obtain leave to appeal from the Workers' Compensation Appeal Tribunal than it is from the Supreme Court of Ontario. If one is looking at some form of formalism, that may say something about it, but they have adopted a two-pronged test and it is very hard to move them away from that.

As I indicated, it strikes me that the rules that would be applicable to leave to appeal, not only the interpretation of the statute—but they could set up a process which I think would allow them more flexibility than just Mr. Ellis coming before you and saying, "Well, we have to take the statute as it is written." I do not think the majority of people in the clinics take that as so.

**Mr. Haggerty:** That may be his interpretation of the statutes.

**Mr. McClellan:** Could you elaborate a little bit on your view of a more balanced approach?

**Mr. Craig:** I was trying to say that the phrase "good reason to doubt the correctness," which is in clause 86o(3)(b), is also in the rules of civil procedure in a certain proceeding, and there are cases on the interpretation of that phrase in our civil courts. In fact, the test which has been adopted there is a much lower test than the tribunal has adopted. There is good legal authority for a lesser standard.

In my view, the tribunal has adopted essentially a judicial review test, a "patently unreasonable" test, although we do not use that phrase.

That is not the test the courts have adopted. I should not say too much about that, because I have made those submissions in a case I have

pending, but I think there is some valid legal authority there.

My concern also about the test they have adopted under 86o is that there is an implicit and to a certain extent, at least in a couple of the cases, an explicit statement that appears to treat the old appeal board as a board having high standards of adjudication. What they have not recognized is the history which has led up to the creation of the tribunal in the first place, which was the poor quality of adjudication of the appeal board.

In fact, if you look at the first report, the chairman has made some comments on the perceived injustices which came out of the old appeal board, but they have not recognized that fact in their decisions under 86o. In effect, they are treating the appeal board as a competent adjudicative body, and it was not.

I think the tests should be much lower. Minimally, it should be the same level as the courts have adopted and arguably lower, because we are dealing with a different kind of scheme.

**Mr. Gillies:** One question, gentlemen: I wanted to see if either of you would want to offer an opinion on the current disagreement over section 86n, a very central question to many of us, I think, as in questions of policy and general law of the act; who should in fact have the final say. Is it the board, or is it subject to a change, if you will, from the appeals tribunal?

**Mr. Hunter:** Again, I think it is difficult to deal with that in the abstract. It strikes me that if an appeal goes forward on a factual basis and the tribunal interprets it, the board may well have an impact on the policy whereby it may change its own policy.

I am not sure they are going to be able to impact on that particular decision they have been asked to reconsider. Until I actually see a case go forward, I do not have the same general concern that is going to happen.

**Mr. Craig:** I have no trouble interpreting 86n. I think the plain wording of the section is clear, just on the plain use of the words, that the final say lies with the tribunal. There is a request back, and it is a request for reconsideration, in my view. The tribunal can receive that request, reconsider and come up with the same decision it made previously, and I think that decision stands.

If that is not true on the plain reading of the section, certainly it would have to be true as a matter of legal interpretation, because you have an elaborate system of appeal that the Legislature has set up that gives substantial rights to

appellants. If you do not agree with that, you are suggesting an interpretation that then snatches those rights away again.

You go through the whole appeal process, you exercise all these substantive rights, and then, through section 86n, everything is withdrawn again with no procedure. Presumably, section 86n can just be invoked with no reasons given. The board simply makes its decision. I do not think, as a matter of legal interpretation, if there is any ambiguity in that section, that judicial interpretation would favour one where you grant substantive rights and then you take them away that quickly. So, as a matter of legal interpretation, I do not think section 86n can mean anything else.

**Mr. Gillies:** So you suggest, perhaps, that it is a matter for the courts to settle, if and when a case comes up, as opposed to us, as politicians, trying to undo the thing?

**Mr. Craig:** If I may say so, I think it is a very poorly drafted section.

**Mr. Gillies:** I agree.

**Mr. Craig:** It would not be inappropriate for the Legislature to make it clear. I do not think anyone is certain what it needs. If you do not do that, what I expect will happen is that, through decision 72 or some other decision, the matter

will be referred back to the tribunal and, at that point, it will have to make its interpretation of what section 86n means. If somebody does not like that decision, it will wind up on judicial review.

**Mr. Chairman:** Some member might even put in a private member's bill to amend the act. I just throw that out. Any other comments or questions? If not, Mr. Hunter and Mr. Craig, thank you very much for appearing before the committee.

That is the last presentation for the afternoon. We will meet again tomorrow at 10 a.m.

**Mr. Haggerty:** I thought it was 9 a.m.

**Mr. Chairman:** No, 10 a.m. The two critics will do their leadoff presentations as a windup. The minister will be here. Then we will adjourn somewhere around 12 or 12:30.

**Mr. Gillies:** Is it tomorrow that we are going to talk about another sitting to consider a report?

**Mr. Chairman:** Yes, please come to the meeting tomorrow morning after having given it some thought.

**Mr. Gillies:** Sure.

The committee adjourned at 5:07 p.m.



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 Laughren, F., Chairman (Nickel Belt NDP)  
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 McClellan, R. A. (Bellwoods NDP)  
 Pierce, F. J. (Rainy River PC)  
 Taylor, J. A. (Prince Edward-Lennox PC)

### Witnesses:

#### From the Ontario Federation of Labour:

O'Flynn, S., Secretary-Treasurer  
 Jolley, L., Health and Safety Director  
 Cwitco, G., Member, Standing Committee on Workers' Compensation

#### From the Workers' Compensation Board:

Elgie, Dr. R. G., Chairman  
 Wolfson, A. G., Vice-Chairman of Administration and President

#### From the Toronto Case Workers Group:

Smith, L., Community Legal Worker, Industrial Accident Victims' Group of Ontario  
 Quatrole, J., President, Union of Injured Workers  
 Cauchi, E., Member, Union of Injured Workers; President, Asbestos Victims of Ontario  
 Buonastella, O., Community Legal Worker, Injured Workers' Consultants  
 McKinnon, J., Lawyer, Central Toronto Community Legal Clinic

#### From the Ontario Legal Clinics Workers' Compensation Network:

Hunter, T., Co-ordinator; Lawyer and Director, Simcoe Legal Services Clinic  
 Craig, D., Member, Association of South West Legal Clinics; Lawyer, Halton Hills Community Legal Clinic











No. R-33

# **Hansard**

## **Official Report of Debates**

### Legislative Assembly of Ontario

**Standing Committee on Resources Development**  
Annual Report, Workers' Compensation Board, 1985

**Second Session, 33rd Parliament**  
Friday, March 13, 1987

Speaker: Honourable H. A. Edighoffer  
Clerk of the House: C. L. DesRosiers



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McGuigan, J. F. (Kent-Elgin L)

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Haggerty, R. (Erie L) for Ms. E. J. Smith

Hennessy, M. (Fort William PC) for Mr. Bernier

McClellan, R. A. (Bellwoods NDP) for Mr. Wildman

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# LEGISLATIVE ASSEMBLY OF ONTARIO

## STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Friday, March 13, 1987

The committee met at 10:12 a.m. in room 151.

### ANNUAL REPORT, WORKERS' COMPENSATION BOARD, 1985

(continued)

**Mr. Chairman:** We have completed the public representation part of the hearings. Today we are to hear from the two opposition critics in response to the minister's leadoff statement of Tuesday. Then we shall open up the discussion for all members of the committee, in particular to questioning of the minister. We have to adjourn at noon because of arrangements that members have to get back to their constituencies.

We shall proceed. Mr. Gillies, are you ready to go?

**Mr. Gillies:** Mr. Chairman, in making some remarks with regard to this annual report, I would like to make a motion. If you decide you do not want to deal with motions today, I would like to make it at least a notice of motion, which I put on to the record now as part of my remarks.

Given that this past week has demonstrated that the Workers' Compensation Act, and the agency that is charged with administering this act, the Workers' Compensation Board, is clearly failing in its commitment to its two major client groups, namely injured workers and employers, and is so doing at an incredibly and continually escalating cost, on behalf of my party I would like to move that this committee instruct the chairman to correspond directly with the Premier (Mr. Peterson), recommending that a royal commission be established to undertake a comprehensive and exhaustive review of the workers' compensation system in Ontario with the objective of making recommendations to the government for a new Workers' Compensation Act designed to replace the Workmen's Compensation Act of 1915.

**Mr. McClellan:** Will you permit a brief 10-second interjection at this point in aid of this notice, Mr. Chairman? I will put my colleagues and yourself on notice that I will move an amendment to my colleague's motion that will read, "And, further, that the commission's terms of reference include the development for Ontario of a comprehensive, universal accident and illness insurance plan."

**Mr. Chairman:** I assume those are both notices of motion?

**Mr. Gillies:** Yes.

**Mr. McClellan:** Yes.

**Mr. Gillies:** We have heard an awful lot of evidence this week, but one thing was said yesterday that stuck in my mind as we had our news conference this morning. One of the injured worker's representatives before the committee said that when a tree is diseased you do not cut off the branch where the disease is necessarily manifest, you cut it down before the disease spreads to other trees.

I think we have a system in place now and we have a situation—I do not mean to suggest for a minute that the chairman of the board is diseased.

**Dr. Elgie:** I am just an old tree.

**Mr. Gillies:** You are a pretty good tree in my experience.

**Dr. Elgie:** Things are pretty tough, I will tell you.

**Mr. Gillies:** The problem is that we believe after some 70-plus years in place, despite the numerous amendments and changes and reforms, many of which were positive, that have been made to the original Workmen's Compensation Act, now in the late 1980s it is time to look at a completely new system, a system which will be more responsive to the needs of injured workers and their families, which will be more appropriate to the needs of the 1980s and 1990s and which will address, among other things, the very pressing concern of escalating costs and the financial viability of the operation.

We have a system in place which I believe is staffed with many dedicated people, and certainly has someone for whom we in our party have the highest regard as chairman doing his best to run an operation with the many problems he inherited. Nevertheless, the time has come to look at a system that is less adversarial, more responsive and more efficient, and that delivers the bulk of the money with which it deals into the hands of those who need it and less into the operation of administrative structures and bureaucracy.

At year-end 1986, if you count those people involved in the office of the worker adviser, the office of the employer adviser and the Workers'

Compensation Appeals Tribunal, the Workers' Compensation Board had a total staff complement of 4,049 people, almost double the staff complement in 1975. As of September 30, 1987, the appeals tribunal had a staff of 76 people and a budget in excess of \$8 million. As of February 1987, the office of the employer adviser had a staff of 20 and indicated to the committee this week that it felt itself severely constrained in terms of the interventions and advice it had the resources to offer employers wishing to make representations before the board.

As of February 11, 1987, the office of the worker adviser had 68 people on staff. The minister has talked about opening three more offices; yet Mr. Di Santo tells the committee of the terrible pressure his staff are under; the waiting list and the demands being made on the office of the worker adviser are greatly in excess of what he contemplated at the time of the Bill 101 reforms.

We have a system in place that shows that up until 1985 there were approximately 34,000 annual appeals launched to the first level of appeal before the board, and the worker advisers have had to handle about 12,000 of those. That does not count the interventions and the time being put into the system by independent consultants, the offices of MPPs, the MPPs themselves, federal members, lawyers and everyone else who gets involved in this system. We had evidence before the committee this week that the legal interventions surrounding one case before the appeals tribunal may have topped the \$1-million mark.

Despite the reforms and the changes that have been put in place over the years, all of them well intentioned I am sure, I really believe we have to ask ourselves whether this system is appropriate and efficient in dealing with the problems we are faced with. With a Workers' Compensation Board with double the staff complement, tremendous budget increases and an appeals system with an ever-lengthening turnaround time for dealing with appeals, we have to ask ourselves in the aggregate, in the overall, are injured workers that much better served now than they were 10 years ago? Is the system that much more responsive or able to deal with the real problems of occupational injury and industrial disease? Is the system really that much better able to handle it than it was 10 years ago with half the staff, a smaller budget and before the Bill 101 reforms?

If the system is considerably better or more responsive, I am afraid that is not what I heard from the delegations coming before the commit-

tee. Yesterday I heard injured workers incredibly frustrated about some of the things they have been calling for for years, which have not been dealt with. We had Mr. Cauchi and his ongoing pleas regarding the asbestos workers and the survivors of deceased asbestos workers. With respect, I do not mean this as a shot, but Mr. Cauchi told the committee yesterday that he has been trying to meet with the Minister of Labour (Mr. Wrye) to discuss this issue for the two years since he became minister and was very frustrated in that regard.

## 1020

**Hon. Mr. Wrye:** If you want to make that point, then I am going to use a point of order. My senior policy adviser has met with Mr. Cauchi on innumerable occasions. I know that very early on he asked for an opportunity to meet with me. It was very early after we took office and we were very busy. But I say this to you, and I know Mr. Cauchi is here today, that if he would like to speak to me, he can speak to Mr. Ben-Dat afterwards and we can set up a time for him to meet with me next week. I have no problem. I knew that the two of them had been meeting on an ongoing basis and there had been no requests, but I want that on the record that I am quite prepared to have that meeting as early as next week before I go away for a week.

**Mr. Gillies:** That is fair enough. We are glad to hear that. We were just wanting to bring the concern to you in terms of the evidence put before the committee.

We had the concern, as yet unresolved, put before this committee about who has the final say in policy matters before the Workers' Compensation Board. We have set up the Workers' Compensation Appeals Tribunal. I believe that the aim of the drafters of the act was that this be an independent level of appeal that could review decisions of the Workers' Compensation Board and make its decisions outside of that structure, but we have hairsplitting and legal arguments surrounding section 86n. Just who does have the final say in terms of this system remains unresolved. You have very different opinions depending on which side of the table you sit at.

We have a system under which the average length of time that benefits are being paid out is lengthening. It was 36.2 days for the average claim during the first nine months of 1986. In 1980 it was 23.4 days. Yet we do not really know why. I believe this is a very serious question that has to be answered.

We have an increase in the number of permanent disability claims, rising from about



6,200 in 1980 to close to 11,000 in 1986. Obviously, this has very serious implications for the financial viability of the board and the question of the unfunded liability.

The unfunded liability, now sitting at about \$6 billion, has increased dramatically since the board announced its 30-year plan to eliminate the unfunded liability. We have evidence before this committee by one of the board actuaries that in the year 2000 we may be looking at a \$10-billion unfunded liability, presumably ballooning before we ever see meaningful steps taken towards its elimination.

We have to ask ourselves whether it is appropriate that a system be in place where the liabilities and obligations of the board so far outstrip the revenue and the ability to meet those obligations. We have to ask ourselves whether we are going to be able to meet satisfactorily the legitimate needs of our injured workers years down the road, faced with this kind of financial crisis.

We have a system, for example, of pre-Bill 101 reforms and post-Bill 101 reforms, under which there continues to be differences in the treatment of survivors; yet the board tells us it cannot satisfactorily estimate the scope of that problem. We all know from dealing with our constituents—and the injured workers' representatives told us—that this is a continuing problem.

We have a system of appeals, which, while independent—at least we hope independent—and doing its best to work through a massive case load, has been criticized before this committee by employer representatives, by representatives from the office of the worker adviser and by representatives of the injured workers themselves—criticized by all three parties—for increasing bureaucracy and for a legalistic bent. There is clearly a tremendous deal of hesitation on the part of witnesses before this committee to take cases before the appeals tribunal in the absence of legal representation.

I would be very interested to see a breakdown of the cases before the appeals tribunal, those that were successful and those that were not, correlated with whether those people appearing before the board had legal representation. Based on the evidence we heard, I suspect there would be a direct correlation.

We have to ask ourselves—and some of us were involved in this committee during the Weiler committee report and during the Bill 101 reforms at the committee stage—if this is what we intended. Did we intend an independent review of board decisions? Yes. Did we intend an

impartial decision made by those not employed by the Workers' Compensation Board? Yes. But did we envision a system that appears to be turning itself increasingly into a high court where the length of time required to get a decision has grown and where, in my personal submission, the appeals process is distancing itself from both injured workers and from employer representatives going before the board? The big winner in this kind of process, I submit, is the legal profession.

Some of my colleagues this morning spoke to the ever-spiralling costs of the system to employers. I have to say, personally, that I might take a very long and hard look at the suggestion put forward by Mr. McClellan.

The original Workmen's Compensation Act of 1915 was intended to be a system that helped those who had been injured on the job, period. It was quite rightly thought that, to fund such a system, there should be a premium system paid by employers. Indeed, that system functioned, and I think functioned well, for many a year; but it is almost as if we have taken the foundations of a house built in 1915 and tried to construct an apartment building on top of it in the 1980s.

It is as if we are taking a funding system for a very narrow definition of workers' compensation, and we are now in the 1980s, saying we want any number of reforms brought in to the benefit of working people, reforms that we have supported as a party and continue to support. But we have also had to come to grips with the ballooning problem, and it will be a ballooning problem, of industrial disease and the compensation of those who fall victim to industrial disease. We see that the scope and the range of problems that are expected to be dealt with by the workers' compensation system are growing enormously through this decade.

Based on the literature available to us, we have every anticipation that the range of industrial disease-type problems, for example, will grow quite remarkably through the 1980s and 1990s. Yet we have built all of that system and all of those expectations on a very small foundation, a foundation designed and implemented in 1915.

We are asking for a royal commission, as it reviews this whole area and comes up with a new act that will serve us well into the next century, to consider the funding mechanisms as a major component of its work. On a personal note, I say to my friend Mr. McClellan that if there is going to be a comprehensive disability insurance plan for all the people of Ontario—and I have an open mind on that—I would not suggest for a minute



that that system should be entirely funded by the employers of this province. No way, José. If we think that society's responsibility is towards people who are injured, whether or not they are on the job and under whatever circumstances, then clearly we need a drastically different funding mechanism to accommodate that.

**1030**

A number of specific concerns put before the committee this week stand as a matter of record. I do not intend to go over them each individually at this point, but I hope at the time we come to draft some sort of report and come up with some recommendations, we will address them.

Very briefly, I think several should be enumerated. The disagreement over section 86 has to be addressed, and it has to be addressed in a very final way through recommendations of this committee to the government. It is not fair to Dr. Elgie, his board, the appeals tribunal, or anyone else concerned for this question to be hanging in the air. We have to know as legislators who has the final say on policy matters that have been adjudicated by the appeals tribunal. While we are calling for a completely new act, we do not anticipate that overnight, of course. If an amendment is needed to clarify section 86, we would like to see that.

The whole question of the operation of the appeals tribunal should be spoken to by the committee. I do not want to be entirely negative about the appeals tribunal; I accept the evidence before the committee that a number of the decisions in those appeals have been first class. We do not dispute that. Our concerns are more about the procedure. Our concerns are about the length of time for turning around these cases, the increasing feeling that legal representation is necessary and that this system has become very legalistic. The whole range of issues surrounding the appeals tribunal that was put before us could be looked at and some substantive improvements could be made.

The other concern I was going to mention was the backlog on appeals and the time it is now taking to get a matter before the appeals tribunal. These matters all have to be of concern to our committee.

By way of summation, we appended to our news release this morning the list of reports, changes, amendments and reforms that have been made to the Workers' Compensation Act in the last number of years. This list is by no means exhaustive; it is just the highlights. Just looking at that, hearing the evidence before the committee this week and seeing with my own eyes the

operation of the board and the way it impacts on my constituents, I am sure I speak for all of my colleagues when I say this has all been well and good but that clearly the time has come for a comprehensive review and recommendations for a completely new structure, one we hope will be responsive to the injured workers, reasonable in terms of its cost to the business community in this province, perhaps less confrontational, legalistic and bureaucratic, involve fewer structures and perhaps get money into the hands of those who need it more quickly and more efficiently than the system we have known heretofore.

Our recommendation is that the government undertake this royal commission with the aim of bringing its recommendations before the Legislature for the spring session of 1989. We know that will be an exhaustive study, that it is needed and that it will take a period of months to accomplish it. For all the patchwork and reform that has been accomplished, we believe we can go into the next decade with a completely new and improved system of protecting working people in this province. We believe it is our duty as legislators to undertake that work as soon as possible.

I hope the motion I have put before the committee will have the support of all members at the appropriate time so we can go in a united way to the Premier and say, "We believe this is the measure that is needed and that should be undertaken by the government."

**Mr. Chairman:** Thank you, Mr. Gillies. May I assume that after Mr. McClellan has made his remarks, the committee can decide collectively how to deal with this motion, whether or not you want to deal with it at this meeting or at a subsequent meeting? It is entirely in the hands of the committee.

**Mr. McClellan:** I think this is the 12th WCB estimate I have attended since I was elected in 1975. I ran my first election campaign in 1975 out of a sense of outrage and indignation in my community with the way injured workers were treated by the Workers' Compensation Board. I have to tell you, Mr. Chairman, that 12 years later and after many changes in the legislation and in the structure of the Workers' Compensation Board, I am more convinced than ever that the only thing we can do with the board is to abolish it and replace it by a universal accident and illness insurance program.

I do not believe a system that was designed for a pre-industrial society, elements of which date back to Napoleonic law, can have any relevance in the late 20th century in a modern industrial society. The litany of problems we listen to year

after year in this forum, and which we have listened to again all week, will never ever go away until, as Donald MacDonald would say, we grasp the nettle and replace an outmoded, obsolete and thoroughly irrational system, which is what we have today, with a modern, universal accident and illness insurance program.

Canada ratified the Geneva convention in the 1950s, I believe, which called upon all civilized members of the United Nations to adopt long-term disability insurance. When I was a young student at the school of social work, I had the privilege to study with Professor John Morgan, who some will remember, who pointed out to us that was the one part of the convention Canada had failed to implement. That was in 1964. In 1987, we have still failed to implement that convention. We see the results again in the litany, as I said, of tragedies, absurdities, travesties and stupidities we have listened to all week.

My Conservative friends have taken an initiative. I have to point out that they are a year behind even the Ontario Mining Association in this, but as I have said before, Mr. Grossman is trying to lead his colleagues gently by the hand into the 20th century. He appears even to be succeeding.

I welcome the critique that has come from Mr. Gillies this morning. Obviously, there are some points of disagreement with it. Some of them are major disagreements, but with his fundamental premise that the Workers' Compensation Board has to be replaced, I agree absolutely.

I am not prepared to support an amendment that calls for a royal commission into something called "workers' compensation." I am prepared to support a royal commission which looks at the development for Ontario of a comprehensive, universal accident and illness insurance plan to replace the WCB, which is outmoded and outdated. Quite frankly, that is a reasonable approach. We can probably come to an agreement, I would think, on a unanimous basis in this committee that it is a useful thing to do and that we do not want to spend the rest of our lives listening to this kind of exercise in futility we have gone through yet again this week.

#### 1040

I do have some points I want really to stress coming out of what we have heard. There is an advantage in doing your leadoff at the end of the estimates as opposed to the beginning. I am not so sure it is not a better way to deal with things, actually. It forces you to listen a bit more to what people are saying and try to reflect on some of the problems that have been raised during the course

of the estimates rather than coming in with a set of preconceptions that you thump on the table on the first day.

We have heard a lot about the issue of costs and the unfunded liability. I think I was the first member of the Legislature to raise the question of the unfunded liability in a serious way. I see by the smirk on the face of the chairman that he remembers that horrible afternoon as well as I do. The unfunded liability had reached the horrible sum of \$300 million in 1977, and I expressed a real concern because it seemed to compromise the integrity of the workers' compensation program as an insurance program. I believe in insurance and the insurance principle, and I was trying to understand why the government was failing fully to fund this insurance plan.

Six billion dollars later, we have a better sense of what has been happening. My Conservative friends—and I will put it neutrally—in their desire to express the concerns of business constituents had better understand and remember that there is a big difference in the kinds of benefits being paid out by the Workers' Compensation Board in 1987 as compared to 1977. In 1977, the Workers' Compensation Board was still treating people in an abominably mean-spirited way. Injured workers were being given a fraction of the benefit for industrial accidents that they receive today, relative to the average industrial wage and relative to their own pre-accident earnings. I have to say that, certainly up until the mid-1970s, the adjudication procedures of the Workers' Compensation Board were vastly different to what they are today.

We cannot pretend that there has not been major change between the early 1970s and the late 1980s in the Workers' Compensation Board, in basic fairness of adjudication and basic adequacy of total compensation benefit. This is not to say the system is working. It is just to acknowledge that there have been major changes and that the government of the day, in its concern about restraint and constraint, did not pass on costs to employers in the form of premium increases.

Everybody remembers the premium freezes, especially, I think, the present chairman. Everybody remembers that there were major increases in benefits which were not accompanied by increases in premiums, and that is why we have an unfunded liability of \$6 billion. The costs were not passed along according to normal insurance principles.

The irony is that the Workers' Compensation Board—and the Yassi report has documented this



yet again—only compensates a fraction of occupational injury; it does not compensate for occupational disease. The Workers' Compensation Board does not recognize occupational disease in the same way it recognizes occupational injury or accident, and the Yassi report simply documents that yet again. I am issuing a more detailed statement about the Yassi report later this afternoon.

If the Workers' Compensation Board ever began to recognize occupational disease in the same way it recognizes a fall or a sprain, a broken arm or a broken leg, an accident or an injury, the unfunded liability would look like a peanut in comparison. I recommend that my colleagues read the Yassi report to get a beginning of an understanding of the extent of occupational disease in this province and the extent to which the Workers' Compensation Board systematically refuses to come to grips with that problem.

Before I come back to the question of accident and illness insurance, I want to deal with some of the points that were raised during the week. Even within the context of an outmoded and archaic system that deals only with a fraction of the problem and does not deal with people who get hurt or injured on their way to work, on their way home from work or on the weekend, there has been a process of reform under way with the system that we have, which we have inherited from the past.

I have to express the most deep disappointment to the Minister of Labour and to the chairman as well at how the reform process, limited as it has been, has been systematically frustrated both by the board and by the Minister of Labour in the course of the last three years.

We heard the Minister of Labour and the chairman of the board talk about their accomplishments over the past year. The chairman talked about the kind of corporate reorganization that was happening within the board. Nobody denies that the compensation board was an administrative can of worms and that modern management approaches were long overdue. We have all been in the building and seen the files lying all over the place, three feet thick, the little clerks sitting there scribbling with their pens into the files—files a foot thick, all of the entries written by hand. The administrative procedures of the compensation board are something out of the 18th century.

I understand the urgency of Dr. Elgie and Dr. Wilson in addressing themselves to some of the management problems.

Whatever happened to the reform process? We have in place an independent tribunal which was set up for the purpose of providing justice and to develop a body of jurisprudence that would act as a check and a balance on the arbitrary decision-making of the Workers' Compensation Board.

As I sit here, there are more than 300 decisions that have been rendered by the tribunal. Not once during the past week did we hear a statement from the Workers' Compensation Board about how policy had been revised in light of a decision of the tribunal. There have been more than 300 decisions, many of them challenging long-standing practices and policies of the Workers' Compensation Board, and not one policy has been changed by the Workers' Compensation Board as a result of tribunal decisions. Quite the contrary. We heard evidence over the course of the week that the Workers' Compensation Board has fought and battled the tribunal at every step of the way, asking that cases be postponed so that it can review the policy with no intention of reviewing the policy in fact.

Of course, most distressing of all is the apparent repudiation of decision 72. We received telegrams yesterday from more than 40 senior labour leaders in Ontario as an attachment to the brief of the Ontario Federation of Labour. I counted 40 telegrams from virtually every senior labour official in the province condemning the Workers' Compensation Board for its behaviour against the tribunal, against the independence of the tribunal and against the implementation and the acceptance of decision 72.

If we cannot even humanize the system we have and give injured workers an opportunity for independent justice without a process of hamstringing and sabotaging the independent tribunal, and I use my words deliberately and carefully, how on earth can we expect this government to lead us to a new compensation system that provides coverage for all of the people in this province on a 24-hour basis, whether they are hurt or get sick at work or at home? It boggles the mind.

### 1050

We have seen once again the management bias of the Workers' Compensation Board in the incident involving Dr. Mitchell. The thing that is so upsetting about that is that senior officials of the WCB do not seem to realize just how shockingly inappropriate it is for the man who is in charge of providing independent, neutral, objective medical advice to the board, which is the basis of its decision-making on claims, to accept a position on the board of directors of the



fifth-largest corporation in the country with 57,000 employees.

Not only that, but also the vice-president, Dr. Kaegi, who has to be regarded as the senior medical executive at the WCB, did not appear to see any conflict of interest in this situation.

Dr. Mitchell quite rightly approached senior management at the highest level to see whether this was a problem and he was told it was not. I am sorry, it is a problem, and I do not think anybody outside the corporate walls of the WCB would even dream for a second that it was not an absolutely preposterous situation. It is absolutely absurd.

I am amazed that five days have elapsed since I first raised it on Monday morning and the situation has not been corrected. I really am. I am amazed that five days have passed and the situation has not changed; that Dr. Mitchell has not been asked to resign from one of the two incompatible positions.

All that speaks to is a management bias within the WCB. It is stunning in its obtusity. I do not know how you deal with that. We have already hit them over the head with a sledge-hammer about five times and we still have not got their attention. You are supposed to have to do that only once. We will just keep hitting. I suspect the sledge-hammer will break before the skull. However, we will wait and see. You are a brain surgeon, are you not?

**Dr. Elgie:** Yes. But I am not sure I want to take you on right now.

Interjections.

**Dr. Elgie:** That kind of surgery is outlawed these days.

**Mr. McClellan:** When Dr. Elgie returns to private practice, he has promised to give me the first lobotomy.

**Dr. Elgie:** You?

**Mr. McClellan:** Me.

**Mr. Taylor:** We will finance it.

**Mr. McClellan:** Good. But not until you support my motion.

Mr. Chairman, you have said many times that a compensation system consists of three very elemental components: prevention, compensation and rehabilitation. We have spent the week looking at the compensation side of it, but we have also heard about the state of chaos in the rehabilitation side.

There are three separate task forces looking at problems in the rehabilitation division of the WCB, three separate task forces trying to unravel the chaos in the board's rehabilitation program.

We have all made submissions to one of these task forces, if not all three of them, and we all have our recommendations that we will have an opportunity to discuss in other forums.

When we look at the prevention side, we have all been in the Legislature for the last two sessions and listened to Elie Martel day after day after day raising questions about the failure of the Minister of Labour (Mr. Wrye) and the Workers' Compensation Board to prevent accidents and illnesses in the work place through enforcement of the legislation. What is there to point to? You have failed in prevention, you have failed in rehabilitation and you have failed in compensation. Your record is perfect. Congratulations.

It would be funny if this were not a government whose Premier (Mr. Peterson) has signed his name to a document promising WCB reform as part of the accord. He signed a promise to bring about a reform of the WCB as part of his agenda for Ontario for the next two years. The two years is up in two months and I would say, with respect, that the level of disintegration in the prevention and rehabilitation wings of the board is worse than it was when the minister inherited his office.

With respect to the compensation side of it, if there have been some improvements, it is because of the Workers' Compensation Appeals Tribunal. Your record has been one of foot-dragging and obstruction to the work of that tribunal and of failure to come to grips with the promise that independent, outside review of board decision-making offered to us.

It is difficult to know how long to go on. We have heard it all yet again in 1987. I repeat that the only way out of this morass, this blind tunnel, this circular labyrinth, is to take apart an obsolete system that does not serve us and replace it with a system that has the potential to work for our own benefit and the benefit of our people.

It does not make any sense to spend millions and millions of dollars trying to decide whether a man or a woman who is sick or dying is entitled to compensation, the question being, was the disease caused by the job or not. That is what this is all about.

We have trapped ourselves inside that cocoon of asking ourselves, when we know that people are sick or that somebody has a broken back or cancer, "Should we compensate them or not?" and we set up this system with thousands of employees and tribunals and we occupy the time of the Legislature. We are not really asking whether the person is sick or disabled or unable to work; what we are asking ourselves is, "Did this

happen on the job or not?" It is a stupid, futile, unnecessary, unfair and unjust exercise.

If you get hurt at work and you prove your case and you are totally disabled, you can receive a very large amount of money, commensurate with your loss of earning capacity. All kinds of services and facilities can be made available to you to let you live a life of comfort within the limitations of your suffering and your disability. If you have exactly the same accident off the job, you can go on family benefits or welfare and get a pittance that will not even pay your rent in a rooming house, let alone provide a decent standard of living. What you get is the luck of the draw.

If you are an asbestos worker, a foundry worker or a gold miner and you cannot prove your claim, you can die in poverty. Your family will inherit your poverty and your widow will come down here and ask for an explanation. It is a stupid system.

The miners who who got sick in Timmins should have been compensated, because they were disabled. Nobody should even raise the question about how they got sick, except for accounting purposes. That should be an accounting question, that a bunch of accountants somewhere behind the scenes at some point sits down and tries to work out, as it assesses costs to the different parts of the universal accident and illness insurance system, who should pay the bill. Should part of this go to the employer? Is this too much of a burden for this section of industry? Should the community assume a wider responsibility for the burden of occupational disease? Should the community as a whole be making a contribution to the provision of disability benefits?

**1100**

Of course. Everybody understands that. The point of social insurance is that the community as a whole moves in to assume the risk so that no individual or single group has to bear the whole burden of the social cost; the whole community bears the burden collectively. That is what insurance is all about and that is what a universal accident and illness insurance program would be all about. The whole community would pool the risk and share the cost and nobody need suffer because of the nonsense of endless, cyclical, everlasting litigation. Not only does it make sense as an idea; we also know it works. New Zealand has had a system in place for many years. People have written evidence and the evidence of fact-finding trips is that the system works and that it makes sense.

I think the proposal in summation from my Conservative colleague can be supported with an amendment. Mr. Gillies, I do not know whether you were temporarily out of the room when I had expressed concern about a royal commission that was not focused. I do not want an open-ended royal commission; I am sure you do not either. I do not want a royal commission that does not at least have some focus. It does not have to be exclusive, but there needs to be some direction, which is why I have used the words "the terms of reference include the development of a plan." That does not rule out a commission looking at other things, but I think there needs to be focus. We do not just want another Weiler exercise, which all of us found very frustrating, because so many years were lost and we did not really get anything out of it.

I urge my Conservative and Liberal colleagues to bite the bullet. Let us say together and let us acknowledge together that the workers' compensation system we have in this province no longer makes sense, no longer works and no longer serves us or our people. The time has come to honour a commitment that Canada made 25 years ago to bring in long-term accident and disability insurance as part of its responsibility as a civilized society, as part of the community of civilized nations that accept minimum standards of social security for their citizens. Let us start to move ahead to develop, not just to study or to analyse, but really to come up with some concrete recommendations that would be put into place to give our people a universal accident and illness insurance program.

**Mr. Chairman:** May I assume that the committee will want to allow the minister to respond to the two major presentations and then open it up to committee members? That is the traditional way of doing it.

**Hon. Mr. Wrye:** Perhaps the committee can have a bit of a debate on what has emerged in both statements as something of a major theme. I suspect my friends in the official opposition kind of ensured it would be a major theme by opting to hold their press conference this morning. That is fine and appropriate. It gives one a chance to discuss the bigger picture rather than focus narrowly.

I would say only in a general way that I do not accept, obviously, some of the comments—both members made them, particularly Mr. McClellan—that we have failed to come to grips with the promises that were made. I reject it particularly in terms of improvement in prevention. There have been many reforms in the



Occupational Health and Safety Act, and there are proposed draft amendments that we will propose in the form of a bill in the spring.

We expect that as soon as the federal government moves—and I am advised it will be moving in the next short period—Bill 101 will come forward. Having had some discussions with Mr. Gillies and Mr. Martel, I think the passage can be fairly swift in that area. The enforcement of the act today is more rigorous, demonstrably by anybody's statistics, than ever before. It is beginning to take real hold in terms of the final step, even in the courts, where substantial fines are becoming the order of the day.

On the compensation side, we are some two and a half years into pretty extensive reforms that led and fell out of the process that started with Professor Weiler's first report, issued in 1980. It led to a white paper, very extensive committee hearings and discussions, and finally Bill 101. We have today a system that is, on an ongoing basis, attempting to make the kinds of major adjustments that all three parties, all members of the Legislature and indeed members of the community at large desire.

I note that Mr. McClellan allowed—and his point is very appropriately made—that the system in 1987 is a very different system than the system of 10 years ago. Those changes and reforms continue. That is not to say the concerns and frustrations of both business and labour will suddenly, as if by magic, go away. They have not gone away in other jurisdictions and perhaps to some extent that is the nature of the beast. We will get to that larger picture in a moment.

In terms of rehabilitation, again I reject the suggestion that there has been no reform under way. The whole area of medical rehabilitation is now undergoing extensive review and, even as some of the review in terms of a future role for Downsview goes on, the board is undertaking efforts at beginning a process of decentralizing and regionalizing medical rehabilitation where that medical rehabilitation can be delivered in an appropriate way. As well, the task force this very committee asked for has almost completed the first year. It has been in place for nine or 10 months and will ultimately deliver, hopefully, a very useful report to give us new direction in vocational rehabilitation outside the medical field.

There is a lot of change. With those brief remarks, let me deal with my sense of the motion and, indeed, Mr. McClellan's amendment. I just offer the observation that Mr. McClellan has

raised an important philosophical issue, an important and perhaps practical direction that the government and the Legislature might consider in its range of options as to whether to scrap a system such as this and, indeed, a number of other systems.

When one begins to talk—Mr. McClellan made this point—about a universal accident and illness insurance system, one surely is talking far beyond the Workers' Compensation Board. That is certainly the experience in New Zealand. I presume—I see Mr. McClellan nodding—that is what he contemplates here; an experience that would go far beyond the very narrow focus of the WCB.

The government would certainly take a recommendation of this committee under advisement and look seriously at it, as we are required to do. That is a matter this committee may want to consider. But I share with you my concern, both with the motion and with the amendment, I suggest with respect to my friend the member for Bellwoods (Mr. McClellan). I know where he is trying to go with his amendment, but the development of a comprehensive universal accident and illness insurance plan is almost simply an add-on to what I sense is still a main motion—and I think he was saying this to Mr. Gillies—which has yet another royal commission to look into the very narrow area of workers' compensation. The committee can certainly decide what it wants.

1110

**Mr. McClellan:** I think the motion changed the narrow focus.

**Hon. Mr. Wrye:** It may not change it very substantially. In terms of the Progressive Conservative motion—and I indicated this before this hearing began—the government would not be inclined to react favourably to it. We do not believe another royal commission, which I believe would be about the sixth or seventh, is called for. There is a process of reform under way which has not yet matured.

As you heard from Mr. Di Santo, we have been adding people throughout the last year in the whole area of worker advisers. We are contemplating further shifts as, in effect, we fine-tune that policy. Using that example for a second, we have not had that system up long enough yet, and we are only now getting to the point where we are going to be able to step back and say: "Fine, we are a year, a year and a half or two years out. We can now step back and do a thorough, detailed analysis as matters begin to stabilize as to exactly



what important changes in the system might be undertaken."

The process of reform that is still ongoing within the WCB may itself lend help to the employer adviser, the worker adviser and indeed the Workers' Compensation Appeals Tribunal. We do not know that entirely and thoroughly yet. If there is a royal commission into that very narrow issue—and again I will move off the universal accident plan—all we will do is ask that we put the brakes on and bring to a halt the process of reform, and we will say to workers and to business, "Let us put things on hold for one, two, three, four or however many years and have yet another study."

I understand and acknowledge the points you made, Mr. Gillies, but I am not sure what it is exactly the royal commission is going to study and where you expect to go. I heard no vision of where you expect that commission to go and what would be the positive result of having yet another royal commission. It seems to me that within the workers' compensation system we understand a number of the problems. Frankly, we are attempting, I think with some success, to deal with them; indeed, with quite a bit of success. I am not sure another commission of inquiry into that narrow focus is the appropriate answer. The appropriate answer is to continue with the process of reform and to see what other policies we can appropriately move to reform.

I do not think the motion as it is now drafted would be received or accepted by the government. It seems to me it would simply delay the process of reform and not allow us and the independent board of directors to get on with the very many and positive changes they are making. Certainly there are difficulties. I understand this week you have had some very good discussions on decision 72 and, indeed, on the impact and interpretation of the legislation that many of us in this room spoke on and passed in 1984-85. We are going to have to take a very careful look at that matter as it goes forward, but it seems to me those kinds of things do not need and do not demand a royal commission.

I will leave it at that, Mr. Chairman, because you indicated the time is limited and I know a number of members want to be involved.

**Mr. McClellan:** Can we deal with a procedural question?

**Mr. Chairman:** Yes.

**Mr. McClellan:** Can I make a suggestion that we not take the vote today? My colleague is absent at our national convention. We had not expected votes would be coming up this morn-

ing. There are probably some other members who also have appointments and requirements that kept them in other places. Perhaps we could agree to have the vote at a time when all members can be present.

**Mr. Offer:** May I say something?

**Mr. Chairman:** On this point.

**Mr. Offer:** Yes, of course. I agree with respect to the vote, whether it be determined to be a motion or a notice of motion, that it ought to be deferred on the basis that it does dovetail with what we decided yesterday with respect to the recommendations themselves. In keeping with the decision of yesterday, it might be best that the whole question of this motion or notice of motion be deferred until we deal with the recommendations, which are going to be forthcoming.

I understand the response by the critics of the opposition parties, but I suggest there was a twofold presentation made by both. First, there was the matter of the motion at hand by Mr. Gillies and the amendment to that motion by Mr. McClellan. Second, there was the actual response by each to the minister's initial statement and to the hearings that took place on previous days.

I would like to be able to speak on the basis of the motion only and direct my comments directly to that matter.

**Mr. Chairman:** I appreciate the way in which you have raised it, Mr. Offer. In my interpretation, the motion was not put formally; it was indicated that it would be put at the appropriate time.

**Mr. Gillies:** I am quite happy to go along with the comments made by Mr. Offer and Mr. McClellan. I would like to see the motion dealt with as soon as possible, but I know the House leaders are going to try to get us some more time to deal with recommendations here.

**Mr. McClellan:** One of them is, anyway.

**Mr. Gillies:** Yes, and I will certainly speak to our House leader.

**Hon. Mr. Wrye:** Speak to your party.

**Mr. Offer:** Can we find out which one?

**Mr. Chairman:** That is if he is still the House leader.

**Mr. Gillies:** I am not going to get into that one.

**Mr. Chairman:** It is an elected position in our caucus.

**Mr. Gillies:** I would certainly agree with Mr. Offer that it would be appropriate to deal with

this motion at the time we deal with other motions arising out of this matter.

**Mr. Chairman:** All right. Let us open up the exchanges then. There are a number of people who wish to speak; let us take them in the order in which they indicated an interest in doing so. The order of speakers right now is Mr. Haggerty, Mr. Taylor and Mr. Offer. You have a point of view, Mr. Offer?

**Mr. Offer:** No; on a point of information, I seek advice or direction from yourself, Mr. Chairman, with respect to our response to the matter of the motion put forward by Mr. Gillies.

**Mr. Chairman:** Why do you not speak to that when your number comes up?

**Mr. Offer:** That is one way of putting it.

**Mr. Chairman:** I chose my words carefully, by the way.

**Mr. Offer:** There is something of finality in that, is there not?

**Mr. Chairman:** No. I was thinking maybe Mr. Yemic would have something to do with when your number comes up. That is another story.

**Mr. Offer:** Another time, another place.

**Mr. Chairman:** Let us move on.

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**Mr. Haggerty:** I do not want to get into the comments made by the two previous speakers, but I want to add a few comments to them anyway.

When I entered the Legislature back in 1967, one of my first speeches related to the Workmen's Compensation Act, as it was then known, and the work environment many workers were involved in. In 1970, I introduced a resolution regarding the Mining Act that would have permitted health and safety committees in the mining sector of Ontario, with equal numbers from management and labour. That was supported by the Tory members but was objected to strongly by the New Democratic Party members.

The amendment to the motion put forward this morning by Mr. McClellan concerning universal accident insurance reminds me that back in 1975—I think he sat on the committee dealing with workers' compensation at that time—I moved a similar resolution which was supported by the Tory members sitting on the committee. It was a resolution that directed the government, through the Workers' Compensation Board, to carry out a study of all the benefits available to injured persons, with a goal of integrating all the present programs of assistance to provide the

measures and means of economic security to the injured employees and survivors.

The Minister of Labour at that time was Bette Stephenson. She came forward with studies in the area of financial matters regarding workers' compensation. I think the first in that area was the Wyatt report, followed by the Weiler report.

Following those different reports and studies and looking at the present functions of the Workers' Compensation Board, I have seen some minor improvements, but not major ones, in the area of settling claims. I am a little bit sceptical of the word "jurisprudence," which was used yesterday and in this morning's debate with regard to the Workers' Compensation Appeals Tribunal. The word "jurisprudence" means philosophy of law. That is the wrong approach for the Workers' Compensation Board to follow. It deals with accidents and injuries that follow from an accident. It deals with medical reports, not points of law.

Someplace along the line, we as members have forgotten that area. It is a matter I am concerned about. We are not sticking to the medical reports that come before the board. You do not seem to have that problem if you apply for the Canada pension, for example; based upon a medical report, it usually comes through without too much of a hassle.

Back in 1975 or 1976, I talked about life insurance that has a disability clause that is carried by a number of employers. Automobile insurance has a disability clause. Sickness and accident insurance that many employers supply or have in contracts with their employees includes a disability pension.

There are other employee pensions that are available. We have the Canada pension plan. You can take the whole list, and the cost to the employer and employees in the area of accident health insurance is probably a very costly item to add on the table. If you look at a payroll cheque today and at what the net take-home pay is, compared to the other side, it is either the government or some insurance company that is making the money on it; they are taking the profits out of the workers through income tax and so on.

I agree with the principle of the motion put forward by the NDP, because I have been stressing this for years in the Legislature. I think it is something we are going to have to take a hard look at, because it has to be portable too in a sense. When I looked at the changes that came forward from the Weiler report—and I had the opportunity to sit on the committee for about two



weeks, filling in for one of my colleagues—I was not too enthused about the direction the committee was heading in. I did not think it was going to resolve the problem.

We have the serious problem of industrial disease in the mining sector; it is now coming to the surface. The question is, where are we going to get the funds to pay out to the injured workers? Where is the money going to come from? The board already has a deficit of about \$5 billion. It is going to be a drain on the mining sector; the companies or corporations are going to have to shoulder the bigger costs of this.

I look at the resolution that was adopted back in 1975. I even indicated that the contributions put in by the employees to many of these schemes should be enriched to some degree, along with the employers', and then there could be a good comprehensive plan that would provide a guaranteed income in the sense that it would support a decent income for an injured employee.

This thing has been kicked and thrashed around in the Legislature. We can put the blame on the Workers' Compensation Board or on whomever we want to, but I think it lies with a committee of the Legislature and the Legislature itself to take a good look at the direction we should be heading in.

I cannot accept another royal commission, because it is another rehash of what has already taken place on workers' compensation. There has to be a different approach from that. We are going to have to sit down some time, and it is going to be very shortly, and take a look in this area, not just for the workers of Ontario but also for the workers across all of Canada. That is the key: it has to be universal. We should be looking in that direction. We are not going to resolve the problem today or tomorrow. We are going to have to look at a different approach to compensation for an accident or sickness, regardless of where it happens, in the work place or away from the work place.

When you take a look at the liability coverage you are carrying on household insurance and your costs involved in that alone, where you are protecting somebody who comes on to your property, someone out there is reaping a good profit on this. We are bringing so many things in under liability insurance that it is not providing the coverage that should be out there in case of an accident or serious illness. I suggest we should be moving in that direction.

**Mr. Chairman:** Just a reminder. We are not actually debating the notice of motion, but I think it is appropriate to speak to it.

**Mr. Haggerty:** I may not be in the committee next week. I just wanted to make sure members knew I had not changed my views about it.

**Mr. McClellan:** We think you should come back.

**Mr. Gillies:** We want you back.

**Mr. Haggerty:** I am glad you are supportive of that resolution of mine.

**Mr. Chairman:** I am not being critical, Mr. Haggerty.

**Mr. Taylor:** I am somewhat enthused about the notice of motion and the amendment. I think it is refreshing; I really do. I do not think the minister is trying to be cynical when he says this could be just another royal commission. As members have indicated so far, they are sympathetic to some meaningful change.

We have to understand that all of society has changed. To paraphrase Mr. McClellan, and I do not often do this, he has indicated that there has been a civilizing influence over the years since 1915, when the act was first passed. It is important to direct the members' attention back to those days. You have to remember that those were the days when, if a person was killed, his estate could not sue; so, for example, if you hit somebody with a car and only maimed him, you would back up over him, kill him and then be excluded from liability because there would be nobody to sue you. You have to remember that we had legislation framed within that context before the Fatal Accidents Act.

The system was one of the judiciary dealing with claims. An employee had to sue his employer. Can you imagine? Then you had those legal doctrines of assumed risk when you took a job; you had the doctrine of contributory negligence. You ended up with a system that excluded to a great degree the justice that was being sought by the employee to be compensated for an accident that happened during the course of his employment.

You have to understand that, if you can direct your mind to the history and the context within which this act was originally developed. Then, when you see the evolution of that—as my friend Mr. Gillies has indicated, and I maybe struggled somewhat with the concept of change over that time—I have watched government for the last decade and a half struggle with so-called reform. What it has been trying to do is to turn a horse chestnut into a chestnut horse, and you cannot do it.



Years ago, I argued that the act should be scrapped and that we should start all over again because of the dramatic changes that had taken place. I think everybody's business is nobody's business. If you leave this alone now and wait for government to inspire meaningful change, then you are going to have the add-on approach.

I am not being critical of the attempts that have been made. As I say, years ago when I raised this in the Legislature, I was perceived as a radical, I suppose, or a reactionary. Then I suppose I was in opposition to my own government. Now I am technically and, I guess, legally in opposition to the present government with the change of government, but I still believe that change is necessary and that you have to focus it.

I agree with Mr. McClellan here. I think you have to make someone responsible. You have to give that someone a mandate and sufficient direction that encourages new thinking and a completely new approach.

When you say, Minister, that you are not in favour of just another study, you are assuming the same type of structure. What we have been trying to do is to fuel a jet aircraft with firewood or coal. You cannot do that today. It is just not appropriate. We now, as a society, believe we are our brother's keeper. You are not going to leave someone out there who, through circumstance and misfortune, is going to be victimized by a system that is cruel or uncaring. Now we have to deal with those circumstances and we then have to be fair in terms of how that is carried out and how it is funded.

Going back to 1915 when the tribunal took over from the courts, the employer then paid the awards. It was totally funded by the employer because then he was immune from lawsuits. You had that firmly established. With the evolution over the years since—and I will not repeat all of what has been said here—in terms of what society feels it must do to accommodate and care for, in a sensitive way, people who have been victimized by accident, you cannot expect the funding to be solely at the point of the employer. It is not fair.

What has been happening is that, on the one hand, you have that constraint and, on the other hand, you have a desire to change and to be more sensitive in dealing with these claims. You have an inherent conflict in the system that has resulted, as has been pointed out, in an outstanding unfunded liability of something in the neighbourhood of \$6 billion to date, and that is projected to double before it levels.

I think all of us should be open-minded, evenhanded and objective, and really search for a

permanent solution. If the government is committed to that—if it is truly committed to meaningful change—then it will not perceive a royal commission as just another study.

I do not want just another study. Look at this: one week's worth of papers. We do not need just another study. I really believe that the notice of motion served by my colleague Mr. Gillies can and should accommodate the kind of focus and emphasis that Mr. McClellan wishes to put on it by way of amendment without assuming in advance the result of that study. I do not think there is any assumption of what the outcome might be. It is a matter of making it clear that there are meaningful alternatives to the present system.

I would urge all of the members of the committee, regardless of political party, to support a motion that is going to open the windows and let some fresh air in.

**Mr. Hennessy:** Lock the doors.

**Mr. Taylor:** No, not lock any doors, but really open the windows.

**Mr. Chairman:** I am sure the committee appreciates your analogy of the horse and, in keeping with your warning about keeping the windows open, I just warn the committee that you can take a horse to water, but did you ever smell a wet horse? Mr. Offer, you are next.

**Mr. Gillies:** You should have paused there. You said "wet horse Mr. Offer" and I do not think you meant that.

**Mr. Offer:** I am always amazed as to why we have these little preambles prior to my submissions. It must be in anticipation.

I would like to direct some comments primarily to the matter which Mr. Gillies has raised and which has been amended by Mr. McClellan. I would like to indicate my opposition not only to the notice of motion but also to the amendment, and I would like to indicate why. I believe the type of royal commission as in the notice of motion as it is worded at present by Mr. Gillies would present a delay, a barrier to the process which is already under way.

I believe improvements and refinements to the existing system must take place now, and I do not see that possible with the type of commission contemplated by Mr. Gillies. In the matter that is before us, he talks about a royal commission of the system as a whole, but all the remarks have been totally directed to some of the existing elements in the system as it is now.

There has been no discussion as to what this new type of system should be; rather, the

comments have been directing one's attention to the elements of the existing system that can be improved.

I would like to go a little bit further because we know that this system is not a stagnant system. It is constantly evolving because the demands upon it are constantly increasing, requiring improvements and requiring adaptability. I believe on the one hand that is what is happening, but on the other hand the mandate of this committee is to suggest improvements to the existing system. I believe that to accept this motion is to walk away from the committee's responsibility and not to do what we have been charged to do.

We heard comments during the week with respect to section 86n and we heard comments today on 86n, about the independent adjudication. I suggest it is the responsibility of this committee to discuss what we have heard and to make recommendations for improvement to that matter.

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In talking about the system as a whole, we have heard today the direction as to one further element, that being the unfunded liability and the question of whether we can meet the needs of the injured worker in the future. Indeed, possibly the direction of the unfunded liability is to meet those needs in the future.

Again, the mandate of the committee is to look into the system as it now exists, and the motion, though dealing with some total taking apart of the system, does so merely in talking about elements—for instance, the appeals, the increasing role of advocacy and the legalistic bent at the Workers' Compensation Appeals Tribunal. We have also heard, and we cannot forget that we have heard in very extensive terms, why that is necessary. We heard it was because the people who make up WCAT care so much about the decisions and the impact those decisions may have on workers and employers alike.

I directed my comments, first, to why I believe we should not support the motion but rather deal with the system as it now exists and the elements of the system and improving upon those elements.

On the other hand, we cannot forget, nor should we for a moment, that to accept a motion of this nature puts a stop to the process which is under way, the intense administrative reform by the minister. Bill 101 indeed talks about WCAT and the employer and employee advocacy, the indexing of pensions, the regionalization of workers' compensation centres and the WCB responding not only to accidents now but also to

prevention by means of the Occupational Health and Safety Education Authority.

These are matters which are ongoing. These are matters which the minister, the government and the WCB are responding to with respect to the demands put upon the system. To accept the motion, to accept the royal commission, I suggest, puts an immediate and permanent stop to this process.

**Mr. McClellan:** Why? That is a ridiculous statement.

**Mr. Offer:** If I might just respond to one of the points that Mr. McClellan—

**Mr. McClellan:** Mr. Chairman, on a point of order, if I may: You are imputing a motive that I really resent, because if you are suggesting I am calling for a halt to work around preventing industrial accidents and injury, I resent that very much. The examination of alternatives to the present system does not obviate the necessity of dealing with issues of prevention.

**Mr. Taylor:** They are not mutually exclusive.

**Mr. McClellan:** Of course they are not exclusive. They are not exclusive in any way, shape or form.

**Mr. Offer:** May I respond to that? If I might respond directly to that, Mr. McClellan, I am in no way, shape or form trying to impute motive. As you would have heard, I have prefaced everything, "In my opinion," and "This is what I believe," and "This is why I am in opposition to the motion." If you have not heard that, I would like to reiterate that is how everything has been prefaced and it was in no way, shape or form designed to impute motive to any of the comments you made.

In fact, I am directing my comments directly to the motion by Mr. Gillies and the amendment made by yourself and not with respect to the secondary matter of the response to the minister's statement and your response. I would like to indicate that to you for your clarification.

Actually, I was just at the point where I wanted to respond to something Mr. McClellan did say. As I listened intently to your response, your concern with respect to occupational injury vis-à-vis occupational disease, I took that as the central part or theme of your response. I too am concerned about that matter you brought out, but this does not mean we deal with the system as a whole but rather with what that system is designed and meant to address on the workers' and the employers' part. It does not talk to the system as it now exists but rather as to what that existing system now is designed to meet.



I believe it is our responsibility and the mandate of this committee to make recommendations on improving the system based on what we have heard; the representations we have heard in this past week; the very good, very sensitive, compassionate recommendations from both sides. I suggest that to accept this motion absolves us, makes us walk away from this responsibility, which is something I cannot do. That is why I am not in favour of this motion as it now exists. In my respectful opinion, the royal commission will not permit us to meet the mandate we have been set up to meet.

**Mr. Gillies:** If nothing else were to come of it, I am very glad I moved this motion, because I think it has elicited a more meaningful and thought-provoking debate in this area than I have seen in six years here. Mr. McClellan has been at this business a lot longer than I have, but we do come in every year. We could wrap up this week's proceedings with a series of discussions about when that Windsor office is going to open or should a hearing loss be compensated at 15 per cent or 20 per cent, or should there be five employees in this operation instead of three. Where does it really get us?

I say to Mr. Offer that we make recommendations year after year on the particulars of those matters. I am not ascribing the blame or criticism just to this minister, because I sat here for four years as a government member. Many of the specifics, if you will, of the almost nitpicking things that we sometimes choose to spend our time on are not dealt with. Some of them may be, but many of them are not. The reason I have been so pleased with this debate this morning is that we have really reflected on the whole philosophy and direction of where we can go with this.

Mr. Offer, many of your points were very thought-provoking and valid, but I do reject the contention that striking a royal commission to look at an alternative system, a complete, comprehensive new approach, in any way obviates the necessity of slowing down the pace of reform on the system we have now. If a royal commission were to recommend tomorrow that a completely new system be put in place, I have been around here long enough to know that it would not be so for many, many months, if not several years. We are not going to change the world overnight. I do believe the things we want to see done to the board in the short term, through Bill 101 reforms and other things that we bring forward, can and must continue.

I want to say to the minister very directly, for a couple of reasons I want to share with him, I am really disappointed that his initial reaction is not to support the motion.

First of all, let us talk politics for a minute. This motion is not a criticism of you, it is not criticism of the government, it is not a criticism of Dr. Elgie or his officials in any way. When you became minister two summers ago, you inherited a structure and, in fact, you inherited the Bill 101 reforms. They were rolling along when you took over. Dr. Elgie came in and took over a system that had been evolving and developing for a period of years into what we have now. I want to say right off the bat that it is not a political football we are playing with, because I will not criticize this minister or this chairman for trying to wrestle with a system they have inherited. I want to make that clear from the start.

**Mr. McClellan:** I will.

**Mr. Gillies:** Or the particulars, yes. On this particular issue, you are not moving fast enough; the Industrial Disease Standards Panel should be looking at this and it is not; this doctor should not be sitting on that board of directors; yes, that is all fair ball and that is what we are here for.

In the broader scheme of things, I would urge the minister to reconsider. Perhaps it is just as well that we are not voting today and that we have some time to look at this. This presents him with a tremendous opportunity. I believe he could be remembered as the Minister of Labour who facilitated the complete reform and revamping of this system.

I say back to Mr. Haggerty that in recommending this royal commission, we are not just talking Weiler 3 or 4; we are not just talking another series of constructs or changes to the system we have. Mr. Haggerty, you said you feel that a completely new system is needed, and I want you to know that I agree with you. I believe this motion, if implemented, can accommodate that.

We all have to step outside the mundanities and those things the bureaucrats and the other interest groups coming in have asked us to look at. We have to look at the whole thing. That is what I am talking about.

I want to urge the minister to reconsider, because we can pass this motion. My inclination and the inclination of my colleagues is to accept the amendment proposed by Mr. McClellan and that indeed a comprehensive universal accident and illness insurance should be looked at as one of the possible outcomes of this. We can pass the motion, but we are all politicians in here. I know



that unless you, as minister, recommend to the Premier (Mr. Peterson) that the motion be followed up and adhered to, it is not going to happen. It is very unlikely that it would happen. If the Minister of Labour is saying, "No, a royal commission is not needed," how can the Premier of the province say, "I believe the resources committee is right and there should be such a royal commission"?

I also urge you to look at it again in context of the constraint you put on your members in the committee. I was a government member; I know what it is like. If you say "No go," your members are certainly going to feel very constrained from voting in favour. I am not trying to ascribe to Mr. Haggerty how he will or will not vote; all I will say is that Mr. Haggerty has agreed with Mr. McClellan and myself that a comprehensive new approach to this is needed.

**Mr. Haggerty:** He has agreed to my resolution back in 1976.

**Mr. Gillies:** We will reintroduce yours from 1977, if need be.

**Mr. Haggerty:** It was carried by the Tory members.

**Mr. Gillies:** Okay. Those are the two points, Minister. If you oppose this, it is highly unlikely the Premier will let it happen and it is highly unlikely that any of the government members will feel they can support the motion. In that total context, I urge you reconsider.

This is not criticism of you; it is not criticism of the chairman of the board or of the government. It is an opportunity that all of us in all three parties can seize to start a process that could result in a tremendous, new, more responsive and more workable scheme in the future.

When the leader of your government signed the accord—and I do not particularly make a habit of interpreting the accord—when you said in that accord that there should be reform in the WCB, I do not believe your two parties were saying that just the Bill 101 reforms should be implemented.

**Mr. McClellan:** They were already passed, just for the record. The options opened up again, but that was already history.

**Mr. Gillies:** Exactly, but with respect to what the minister said a few minutes ago, those signatures on the accord were not saying that just those reforms that were in process should be carried through. The mandate being given to the government through the accord was that something very much like this be undertaken; that the whole area be reviewed and looked at again.

When the minister and I came in here in 1981 as young members, dare I say it, we used to go for the odd drink and talk about how we were going to change the world. I will be in trouble with some lobby group now over that, I guess. Who will it be? Will it be John Bulloch saying I should not go for drinks with Bill Wrye or will it be another lobby group saying I should not drink at all?

**Mr. McGuigan:** Tell them to drink wine.

**Mr. Gillies:** Drink Niagara wine only.

Minister, the point is that kind of meaningful change, the kind of visionary approaches we used to talk about, is now within your grasp as Minister of Labour and I urge you not to become so constrained by the bureaucracy, the systems and the limitations that any minister feels he inherits when he takes over a portfolio, but to seize the opportunity to move with this kind of comprehensive reform.

I want to remind you again, in closing, to reconsider the kind of result we could achieve through this, the kind of thing Mr. McClellan and I talked about. Were you to reverse yourself and allow your members to support the motion, I promise you will not be criticized by me for doing so if, on reflection, you decided it was the right thing to do. In fact, I would be prepared to say publicly that the minister has the vision to look at a complete and comprehensive system of reform.

**Mr. Taylor:** He is going to make you a hero, Minister.

**Mr. Gillies:** I will not make you a hero, but I will tell you, and I mean this, if you were to go along with the motion and take it forward to the leader of the government, I would be forced to say that was a very positive initiative by this minister, and it would so strengthen any resolution coming from this committee if it could be supported by all three parties.

**Hon. Mr. Wrye:** Mr. Chairman, can I be helpful for just a minute? I have some information that may be helpful. There is some information that may be very useful to the committee. I will just give out these facts without any comment.

First, it may be useful to the committee in terms of the work that was done by Professor Weiler in his second report, *Protecting the Worker from Disability: Challenges for the Eighties*. He did comment on the wider disability question. More important than that, we have been doing some checking and there has been some work under way. I got a note from the

Ministry of Financial Institutions and, if the committee would like, we can get all the information that is pertinent to this.

There exists a working committee on accidents and disability. It is now into phase 3 of its work. In phase 1, the committee set out to determine if gaps in the coverage of accidents and disability exist. The study was completed in 1985 and it concluded that such gaps do exist.

**Mr. Chairman:** Excuse me. Is this a federal committee?

**Hon. Mr. Wrye:** This is a federal-provincial working task force. In phase 2, the committee looked at the options to fill the gaps. I am told the report was just completed within the last month or so. I do not know anything beyond that but, again, if the committee would like, we will make a commitment to bring this material back.

In phase 3, the federal government is looking at long-term disability options. The report is expected to be completed by the end of this year. If you would like, we can gather up the material and, in terms of the point Mr. Gillies made that this is still only a notice of motion today, the committee may find it useful, before the motion is actually put, to look at this material and, in the light of the material and perhaps any work that is done on it, determine its next course of action. I just lay that before the committee for its consideration.

**Mr. Chairman:** Thank you. With an eye on the clock, Mr. McGuigan?

**Mr. McGuigan:** Thank you, Mr. Chairman. This is the first time I have ever sat on this committee so I am not steeped in the background as many of the rest of you are, but I was certainly struck by the number of problems there are in this whole area. I guess I find it very tempting to support the motion in the hope that somehow, in a vague way, you are suddenly going to solve all these problems by turning your back on them and going into a whole new field.

It seems to me we would be—my colleague has said we would be—missing the point, in that there has to be accountability in the system; accountability on the part of the employers to make those reforms that reduce or eliminate, if possible, the dangers in the work place.

Mr. Taylor was speaking about ancient times. I recall reading the history of the great ship—I should not call it a great ship; it was a tragic ship—the Eastern. It was launched some time in the last century. I guess the ship was way ahead of its time and did not have the technology to avoid disaster, but it was a big ship. It was finally used to a good purpose after having failed in a

number of enterprises. It laid the cable between the two continents. It was the only decent thing it ever did.

When they finally tore the ship apart they found the skeletons of, I think, eight men who had been locked behind the panels of the ship. As they were putting up sheets of metal and putting them together with rivets, you can well imagine that there would have been somebody on the inside of a panel putting it in place. There were people on the other side of the panel putting rivets in place and there would have been a lot of noise. When the ship was torn apart, the conclusion was made that these people had been hollering and yelling and, of course, not been heard, and they had starved to death or died from lack of water. Their remains had spent 60 or 80 years inside the ship as it pursued its disastrous way around the world.

You think of that as one of the terrible things that have happened. We have to see that those things do not happen. We have to put pressure on employers and on the work system and we have to put some responsibilities on the workers themselves. I know people here object to saying, "It is all the workers' fault." I do not say it is all the workers' fault, by any means, because they work with materials that they do not know the dangers of. They work with equipment that, in many cases, has not been properly tested. They work with safety devices that have not always proven to be the very best. But they still have to do what they can to try to protect themselves.

If we sort of abandon the idea of making people on both sides accountable and go to a system where, no matter what happens to you, society is going to reach out and pick you up and pay for that, it seems to me we are opting for something that we really have not given consideration to. We have not given the proper thought to that system and we have not looked at the implications of it.

While I find myself at times, certainly on an emotional basis, attracted to it, I think we still have to allow the minister and the new government some time to bring about the reforms that obviously are in place and to see if we cannot possibly make this system—which had a good basis when it started—with the amendments, changes and the things that are coming in both provincial and federal spheres, work and make this do what it should do.

Those are my comments. I personally found this a learning process because, as I mentioned, it has not been my field of action in the past. I

certainly hope to see that we make some real progress in this area.

**Mr. Chairman:** Can we wrap it up with Mr. McClellan?

**Mr. McClellan:** In 30 seconds or less, I want to deal with the canard of Mr. Offer's that the motion somehow contradicts our assignment to deal with recommendations about the present system.

First, I thought that we had instructed Ms. Madisso to do a review of the recommendations we had heard over the course of the week and that we were going to look at those, come back and deal with them at a subsequent time. I thought we had agreed to do that; that is my understanding of what we are going to do. Second, we are going to deal with the motion. I think we are going to both pieces of work, try to get some more sitting time, come back and start to make some recommendations to the House on both matters.

**Mr. Chairman:** There are three things. First, I assume the two opposition critics will undertake to see, between now and when we come back, if there are a number of days that can be worked out with the House leaders.

Second, Ms. Madisso has been asked to pull that together. All the recommendations from the

1985 report that have not been recommended should be part of that, it would seem to me.

Third, I have written a letter just this morning to the director of legislative research asking that Ms. Madisso be given the assignment of expressing a legal opinion on the whole question of section 86n of the act vis-à-vis who has authority in the decision-making process.

I assume that unless the House leaders are able to work out a schedule with the critics, the next time we meet will be when the Legislature comes back. At that point, we will still have the plant shutdown report to review as well, plus this report on the WCB.

It has been a productive week. I do not expect sympathy from the committee, but it has been difficult for me to stay out of the debate this morning, considering the subject matter; it is a matter that is near and dear to me as well.

Thank you very much, members of the committee. I express on your behalf appreciation to Todd Decker, and to Ms. Madisso in particular, for the work they have helped us do this week.

The committee adjourned at 12:09 p.m.



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**Witnesses:**

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**From the Ministry of Labour:**

Wrye, Hon. W. M., Minister of Labour (Windsor-Sandwich L)













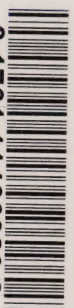






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